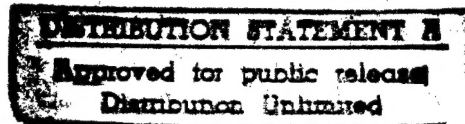


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13 January 1983



# Latin America Report

No. 2634

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## LATIN AMERICA REPORT

No. 2634

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ERRATUM: In JPRS 82523 of 22 December 1982, No 2626 of this series, the sourceline of the article on page 117 entitled 'Business Leader Blames Nation's Woes on Domestic Policies' should read: Mexico City EXCELSIOR in Spanish 22 Oct 82 p 27-A.

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## 1983 ALCOHOL PRODUCTION EXPECTED TO REACH 7 BILLION LITERS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Nov 82 p 54

[Text] Brasilia--Alcohol production next year may reach 7 billion liters, exceeding the estimate of 6.2 billion liters made 2 weeks ago by the minister of industry and commerce, Camilo Penna. That will be possible thanks to the government's decision, which should be adopted at the next meeting of the National Energy Council to promote PROALCOHOL as one of the main elements in fighting the deficit in the balance of payments, favoring the reduction of oil purchases.

It is, therefore, a new phase in the program, which emerged in the midst of controversy in 1975 and which this Sunday completes 7 years of existence, with the expectation of being stimulated further by the increase of alcohol production; the reduction to zero of the finished-goods tax factor for 5-ton light trucks and the increase of the factor for similar gasoline-driven ones; the mixture of alcohol in diesel fuel; the increase of tankage; advancing the beginning of the harvest and the transformation of sugarcane that would be intended for the production of 1 million tons of sugar into alcohol--which at the present time is an advantage because the price of sugar is below the production cost.

According to the chairman of the National Alcohol Executive Commission (CENAL), the secretary general of the Ministry of Industry and Commerce, Marcos Jose Marques, those factors are the definitive proof of the success of PROALCOHOL in fulfilling the role that was reserved for it as an energy alternative to oil derivatives. Born in 1975 at a time when the prices of sugar on the world market were being quoted below production cost, PROALCOHOL is also relied upon when the prices of sugar do not make it worthwhile investing in increased production.

Reviewing alcohol production in Brazil after the establishment of PROALCOHOL, the secretary general said that it increased from 600 million liters for the 1975-76 crop to 5.5 billion liters predicted for the 1982-83 crop. He pointed out that during the present administration alone, alcohol production showed an increase of 120 percent between 1978-79 and 1982-83, "a performance not achieved by any other sector of agricultural activity."

Marques said that the volume of alcohol production from the establishment of PROALCOHOL to the present time amounts to 20 billion liters. That supply, he pointed out, corresponds to 107 million barrels of gasoline, if compared to that product, which at current average prices represents a savings of approximately \$4.5 billion in foreign exchange.

"For the current crop alone, the volume of alcohol production anticipated corresponds to an oil import substitution of \$1.23 billion."

The manpower involved in the current crop for alcohol production is estimated at 234,700 employees, 39,000 in the industrial sector and 195,700 in the agricultural sector, Marques said, adding that in 1985 the number of jobs created by PROALCOHOL will exceed 400,000. Sector sales for this crop amounts to 384 billion cruzeiros and collection of the Merchandise Transfer Tax (ICM) amounts to 54 billion cruzeiros. The total wages paid to farm workers for the current crop amounts to 101 billion cruzeiros, while the wages of the sector's industrial workers amounts to 55 billion cruzeiros.

#### Consumption

Marcos Jose Marques predicted that the mixing of anhydrous alcohol with gasoline from the current crop should absorb 2.4 billion liters of the anticipated production, with the practice of a uniform mixture of 20 percent. The mixture supplies a national fleet of over 7 million vehicles, while the number of units fueled exclusively by hydrated alcohol circulating in the country total 595,000.

Marques pointed out that the funds applied in financing for PROALCOHOL from its establishment to date amount to \$3.3 billion: \$1.9 billion in the industrial sector, and \$1.4 billion in the agricultural sector.

8711

CSO: 3342/29

## GENERATOR BREAKDOWN TRIGGERS ISLAND-WIDE BLACKOUT

Kingston THE DAILY GLEANER in English 24 Nov 82 p 1

[Text] Almost the entire island was plunged into darkness at 4:45 a. m. yesterday morning when the Jamaica Public Service Company B6 steam-generating unit at Hunts Bay station tripped out of service.

The tripping-out immediately overloaded the other units at Old Harbour and Hunts Bay stations which too were tripped out plunging Jamaica into an early morning darkness.

The situation improved somewhat during yesterday but up to press-time, many areas were without power, with prospects for a full return today being dim.

According to a JPSCo spokesman, the problem could be traced to midnight on Monday (off peak hour) when the Old Harbour No. 2 unit was taken out of service for repairs. The Hunts Bay B6, he said, was therefore carrying most of the load and was therefore knocked out.

This caused a chain reaction at all the other steam units and the island was only spared a total power shutdown by the four hydro-electric stations which normally supply some eight per cent of total consumption.

The first unit was reactivated at 11 a. m., and by 2 p. m. the Old Harbour No. 2 was brought back into service. However, just as the Hunts Bay B6 was about to be reactivated, it tripped out again.

It was at this point, according to the spokesman, that a fault in the emergency tripping device was discovered at Hunts Bay.

Up to press time last night, JPS technicians were still working to correct the fault and double-block load-shedding was being carried out. The spokesman said that no time could be given for the return of normal power supply because of the difficulty to get the start-up power to reactivate the steam generating units once the fault in the system is corrected.

"This is a tedious system", he said, adding that if the system is to be re-activated by the power from the hydro-stations all the power would have to

be diverted from the sub-stations to the large steam-generating units. This involved a lot of switching off, he said.

With the Hunts Bay B6 unit now out of service, the island was being deprived of 60 megawatts of power.

CSO: 3298/198

## VAZ BACKED IN DEMAND FOR HALT TO GAS CYLINDER DEPOSITS

Kingston THE DAILY GLEANER in English 3 Dec 82 p 2

[Text]

Support for the decision of the Minister of Industry and Commerce, the Hon. Douglas Vaz, in demanding that cooking-gas distributors immediately withdraw the deposit on cylinders since it was illegal, came yesterday from the National Savings Committee.

The Committee also condemned what it described as the "intemperate outburst and wanton attack" on the Minister by the General Manager of Shell Company in Jamaica, Mr. Howard Hamilton.

A news release from the Committee said that the chairman, Mr. Lloyd Williams, has commended the Minister on his decision to "halt what amounts to be extortion of the consuming public by companies producing cooking gas."

The attempt of the companies to "extract deposits" of up to \$100 for a cylinder of gas "is a thinly-disguised effort to further increase the price on consumers who have had to put up with a 635 percent increase since 1972."

It is circumstances such as these, the news release said, which militate against national savings.

"The National Savings Committee does not oppose unavoidable price increases, but by the same token must oppose price increases which are unjustified and are a reflection of the insensitivity towards the difficulties being faced by consumers," the release said.

"While spouting the virtues of free competition, it is clear that the three companies involved have worked as one in their bid to hit the consumers at one and the same time, leaving consumers no real choice in the matter. "Co-ordination of efforts would better serve the country, the consuming public and the companies themselves in a virtually monopolistic position and use such position to exhort extra funds for what has become a basic necessity."

In commending the action of the Minister, an action found necessary because of irresponsibility on the part of the companies, the Committee found it necessary to condemn "the intemperate outburst and

wanton attack on the Minister" by the General Manager of Shell.

"Mr. Hamilton should know that a Minister of Government is beholden to the people of the country and is responsible to protect their vital interests. He is not beholden to any particular interest group, in this case the three companies involved, especially when such interest groups selfishly act against the national interest.

"The Minister was indeed acting as a servant of the people when he ruled against the decision of the companies and therefore should not be vilified for it," the news release said.



## UTILITIES OMBUDSMAN APPROVED AS JPS PROBLEMS MOUNT

## Seaga Motion in House

Kingston THE DAILY GLEANER in English 3 Dec 82 pp 13, 14

[Text] The House of Representatives on Tuesday approved the appointment of an Ombudsman for the public utilities.

The motion seeking the appointment of an additional Ombudsman to the Ombudsman Commission to Parliament who will be specifically charged with handling complaints affecting public utilities, be they corporation or companies, was piloted by the Prime Minister, the Rt. Hon Edward Seaga.

The resolution approved the application of the Ombudsman Act to the Jamaica Public Service Company Limited; the Jamaica Omnibus Service Company Limited; the Jamaica Telephone Company Limited; Air Jamaica; Jamintel; and the Montego Bay Municipal Bus Company Limited.

Statutory corporations such as the National Water Commission and the Jamaica Railway Corporation are already subject to the Act, Ministry Paper Number 27, which accompanied the resolution, said.

In opening the debate on the resolution, Mr. Seaga said that the Government was aware of complaints concerning problems connected with metering, bill reading, disconnections, low voltage, power cuts, damage to equipment, lack of communications, poor service, lost baggage, delays in processing applications, and lack of response to requests for services such as call boxes.

He said that even at present when the

Ombudsman was not able to deal with these complaints because these companies did not come under the Act, there were fairly large numbers of complaints which were sent to the Ministries. There was a large number of complaints received by the Minister himself, as well.

Mr. Seaga said it was in the interest of obtaining the necessary attention to these complaints and recognizing that the Ministry was not able to cope with them, that the decision was taken to appoint the second Ombudsman to deal with the public utility companies themselves, to enable the complainants to have a specific source to deal with in terms of pressing their complaints.

"I am quite sure that once the office becomes effective there will be a large number of persons who will make complaints," Mr. Seaga said. "But it is better to have the complaints dealt with so as to (a) take corrective steps where the companies are to be blamed and (b) where they are not genuine, to dispel the doubts of those who may feel that they are, or the conviction of those who may think that they are".

The Prime Minister said that there had been a spate of complaints on the reading of water and electricity meters, but those were not the only areas of complaint in those two utilities.

He said that efforts

were being made in the reorganization of the utilities based on the management audits carried out, to re-establish the administrative structure of the utilities and to put in place proper systems of operations which did not exist at this time. Management audits for the JPS and the NWC which were already completed, had set out a very detailed plan of action as to what had to be done in order to make the necessary administrative changes to have the units properly structured and operated.

He said that it was no use rehabilitating broken-down equipment or purchasing new ones and putting them in the hands of utilities that were themselves broken down and in

need of rehabilitation, or shortly they would suffer the same fate again.

So there should also be a comprehensive rehabilitation of the two principal utilities, which had been commenced with having proper management audits done. These audits had revealed the need for restructuring on a comprehensive basis as well as setting up proper procedures and systems within the organizations.

He said that 1982 was the year when investigations were carried out at the management audit level: to find out what was functionally wrong with the utilities and at the same time to rehabilitate the broken-down equipment. He said that 1983 would be the year when it was expected to have the restoration of electricity power on a proper basis and to rehabilitate the companies to put them in position to maintain the equipment.

Mr. Seaga said that the current Ombudsman will be the Senior Ombudsman and will have control of administration and finances within the office. He said that the second Ombudsman would have the same status as the first, but the first would have seniority in terms of being in charge of finance and administration.

The Prime Minister praised the current Ombudsman, Mr. E. G. Green, for his efficiency and said that he hoped the second Ombudsman would follow in his footsteps. He said that the second

Ombudsman would be appointed in consultation with the Leader of the Opposition.

Mr. Dudley Thompson, who spoke first for the Opposition, said that the Opposition supported the resolution as it would add to the armoury of services to the people.

He suggested that the Government utilize the services of agencies like the Jamaica Information Service to assist in educating the people to the availability of these services, and to the fact that the rights and powers of the Ombudsman were for the public's convenience.

He said that he hoped that it would be widely advertised and the use of those powers made clearly known to the public.

He said that many complaints were made against the Ministers in charge of these utilities without the service of the proper agent to show where the fault lay and to exonerate the Minister.

Mr. Edwin Allen, JLP, said he was happy to be a member of a Government which while in power recognized the fact that the people were its masters.

He said that this legislation would give the people the opportunity to rebuke the Government when it was wrong and would allow the people to stand up for their rights when they were not able to fight for them through legal means.

"A Government that recognizes that it is the servant of the people allows itself to be chastised by the people when it is wrong," Mr. Allen

said. "The people should be proud of a Government of this type; a Government which enacts a law to punish itself. I am proud to be standing among these colleagues who feel that this

is how Government should be - servants of the people."

The Hon. Pearnel Charles, Minister of Public Utilities and Transport, supported Mr. Thompson's call for the JIS to play a major role in educating the people on the services of the Government.

Mr. Charles said that the NWC received 600 to 800 complaints per week; the JPS received 1600 per week; and the JTCO received 1595 per week.

Mr. Charles said that while the NWC would be in problems for a while because of the out-dated system, next year would be much better for the JPS and the other services.

Mr. Horace Clarke, PNP, reminded the House that the idea of an Ombudsman for the utilities was brought up by Mr. Dudley Thompson during the previous Government's regime, but did not get the support it warranted from his colleagues and some members of the then Opposition.

Winding up the debate, the Prime Minister said that it would not be possible for the Ombudsman to deal with every single complaint received, and therefore only the serious complaints involving repetitious action, or prolonged delays and those which were frustrating to the complainant, should be sent to him.

## Comment on JPS 'Destructiveness'

Kingston THE SUNDAY GLEANER in English 5 Dec 82 p 12

[Article by Franklyn McKnight]

[Text]

The effect of the Jamaica Public Service Company (JPS) on the nation's economy has been rather like that of a bull in a China shop. Essentially destructive.

The imagery, I admit, is a bit weird, for the bull, unless it is crystal, has no place in a china shop. The JPS, a public utility company ought to have a place, a central place in the country's economy. It is the cog on which industries ought to turn and with which the workers in those industries should provide comfort in their homes and be provided with services. But the Jamaica Public Service Company has proven, particularly these last few years, to be antithetical to the public weal. It is becoming an anachronism to

civilised and prosperous existence. A rather costly, rampaging, unpredictable bull.

Its effect on people's hard-bought appliances as on their comfort has been destructive and negative. It perhaps may never be known how many potential investors in the last three years made negative decisions about investing in Jamaica based on the gloom which the JPS has shed upon the country with abandon these last few years. Indeed, the effect on the nation's economy must not be counted only in the loss of or the failure to attract foreign investment capital which would also have created new jobs. The cost must also be counted in the failure to keep factories viable and open and operating efficiently by keeping workers active, and prevent equipment from idling and raw material from being spoilt.

### Inefficiency

The JPS has contributed to inefficiency in the operation of the bauxite/alumina and sugar industries as in other individual major manufacturers like Good-year and Seprod and in small enterprises like tailors and handicraft shops. Listen to any managing director talking to his board of directors or his shareholders these days and he is bound to include the power factor as a negative one on the enterprise's operations or be asking his employers to provide funds for standby generators.

Nor is this necessarily a problem for the 'productive' sector alone. In the hospitals it has hampered patient care. It has also played havoc with water supplies, machinery to produce cheques in government departments and affected a string of other services. Were the management of the JPS to be presented with all these bills it would be the JPS, not the JOS that would have to fold and those at its head carried away.

To say that the provision of reliable power supply by the government on which to base its recovery programme has proven intractable is not to suggest that the government has not taken the haphazard power supply situation seriously.

You will recall that after the dose of power cuts, scheduled and unscheduled, throughout the country at the end of last year and into January the Prime Minister, Mr. Seaga, addressed the country on what the government was doing to retrieve the situation. He announced that based on a JNIC study the government

had approved foreign exchange to pay for needed parts and foreign expertise which would effect a rehabilitation programme for the JPS. He itemized scheduled dates for the return of different generating units. He predicted that by the end of May, generating capacity would be in the region of 415 megawatts, nearly twice

peak demand of 220 megawatts which would enable units to be taken out and maintained without power cuts to the country. History has been particularly cruel in respect of those plans and any breakdown of generators now, as demonstrated a few days ago, will throw the country into darkness and idle machines.

## **A Major problem**

A major problem is that the No 3 and No 4 steam units at Old Harbour, having between them a capacity of over 130 megawatts, are still not generating even one megawatt of electricity. The latter should, by the Prime Minister's schedule, have been providing 68 megawatts since March. The No. 3 should have been producing a similar amount of electricity since July.

The rehabilitation programme is proving more costly and more distant than was perceived. The failure to bring the No.3. and No.4 steam units into production is reportedly costing the country \$130,000 per day to generate electricity using inefficient gas as opposed to steam generators.

The delay in the completion of the rehabilitation programme is in fact to cost the country more. The Canadian power company which was contracted to work on the No 3 and make it ready by the end of July has been ordered away from the JPS Old Harbour site after 8 months of work costing in the region of \$6 million with the unit reportedly in a worse state (if that is at all possible) than when the Canadians began arriving in March. It is said that 'fireworks' are to begin soon to try to recover some of that \$6 million to get

another foreign team, a subsidiary of General Electric (GE) now working on the number 4, to also repair the number 3.

I gather that the Canadians found far greater problems than they expected. The faulty area of the unit had been made worse by chemicals which had gotten into the boiler and had attacked this section. A JPS engineer said that this part of the unit had proven to be 'particularly chronic' but there were also failures in the tube side or pressure passes and failures in other zones not usually defective in the No. 3. The Canadians reportedly refused to take any advice given by the local engineers. The long and short of it is that the Canadians failed to complete the job, crushing several bearings in the process, and were sent home.

The questions which must now be asked is whether the money spent in the work on the No.3 will be recovered, whether proper consultation went on before the contract was given out and specifically, is it true, as is being claimed by JPS workers, that the Canadian team did not have the technical expertise to do the job?

## **Black Christmas**

But there is hope that if nothing goes very wrong Christmas will not be as black as it was last year. The work is far advanced on the No. 4 on which the GE team is also claiming that it did not expect to see that

level of work. First given 8 weeks to do the job, the GE team has found it necessary to take twice that time. The complete No. 4 unit has been overhauled with repairs to boiler feed pumps, circulatory water system and condensers. Mr. Sam Crichton, Managing Director of GE Sales and Services said, 'The boiler has been practically rebuilt' and in tests nearly two weeks ago it stood up to 1,900 lb of pressure. Next week Wednesday, December 15 is the expected date for generation from No. 4 at Old Harbour.

With US Navy help the power barge is expected to begin generating 25 megawatts of electricity within two weeks. This, I am told, is also proving to be far more costly and later than was originally conceived and it is said that it will be the most costly, per unit of electricity, generator in Jamaica.

If however the government can get all this together and allow the overdue overhaul of the B6 then there will be sufficient capacity to remove, as is necessary from time to time, units for maintenance and overhaul. Mr. Seaga said in the January speech that maintenance had been neglected because of finance, inadequate training and inadequate personnel management at JPS. It is this personnel factor which now has to be addressed, for so far the JPS crew has had little to do with the plans for, or the bringing back of needed capacity to the country's electricity supply system. But it must be remembered that it is that crew which will have to run the JPS plants.

## Plans for New JPS Plants

Kingston THE DAILY GLEANER in English 6 Dec 82 p 1

[Text]

GOVERNMENT HAS DECIDED to replace the aged sections of the Jamaica Public Service Company's power stations with new plants in its continuing effort to improve the public electricity supply, the Hon Parnell Charles, Minister of Public Utilities, announced Saturday night.

Speaking at the long service awards function of the Jamaica Public Service Company at the Pegasus Hotel, Mr. Charles said that Government had allocated US\$15 million and J\$6 million for the rehabilitation of the JPSCo. Details of the purchase of the new equipment would be announced within a few weeks, he said.

Mr. Charles promised the nation improved service by the JPSCo for next year. While it was difficult to set targets and precise dates when dealing with such "a run-down system", the Minister said, he had been advised by the engineers that by January the company would be in a better state.

He said that the Government had decided that the aged sections of the company should go and that they were purchasing new plants to replace the old sections. The decision had already been taken and discussions were being carried out.

Mr. Charles said that the cost of electricity was a burdensome one to the customer and that to increase the cost of the service was "almost a crime". The company, he said, was spending over \$220 million this year to purchase oil. Outdated sections of the JPS plant were being used, he said, and the company would not be able to recover some of the costs from the customers.

TURNING TO PEOPLE who were stealing electricity, water and telephone service, Mr. Charles said that an amendment to the Public Utilities Act "that is carrying almost draconian measures for anybody found stealing electricity, water or telephone" would be going to Parliament early next year.

He said that very shortly, persons found with illegal connections would disqualify themselves from the services of the company. "These are the only measures that can return honesty and discipline to the society", he said.

Over the last few weeks JPS workers had to spend time to talk to 10,000 customers and 2,500 were found with irregularities and illegal connections; 750 received summonses. It was not only "the little people" who were stealing the electricity, the Minister said, "we have

some sophisticated high-class people stealing, too."

Starting today, he said the JPS would be distributing a number of street lamps to nine parishes to light up certain rural areas. The Minister said he wished they could do more to meet the requests of the Parish Councils and expressed hope that the managers would move quickly so the lights could be installed.

He said he was "totally dissatisfied" with the maintenance of street lights in the Corporate Area and that a meeting would be held tomorrow with representatives of the Ministry, JPS and the K.S.A.C to discuss the matter. He pointed out that it was not the company's duty to maintain the street lights but they were seeking to take on this responsibility because they felt they could do a better job.

MR CHARLES STATED that 1982 was a tough year for JPS and that 1983 would be as tough "but a more revolutionary and challenging one". He said that the termination of the contract with Foster Wheeler, a Canadian company which was assisting with repairs on some of the JPS units, was terminated in the interest of the people.

On the matter of the bringing in of foreign contractors, Mr Charles said that he had been instructed by the Cabinet to advise JPS that where Jamaicans could do the job there was no need to bring in foreigners. This should only be done when highly skilled Jamaicans could not be found. He said that some of the laid off workers in the Bauxite Industry were being mobilised to work with the local contractors to assist with the rehabilitation.

He warned that there was a "small element" in the company who believed that it was time to "flex their muscles" but he would not allow any disruptions on the site. "I am not going to allow anybody to hold this country to ransom," he said.

He congratulated the workers who had worked hard and for the spirit of co-operation displayed. He told them that the keys were in their hands if there was to be an economic recovery.

The Egbert Cleveland Williams Scholarship for engineering, named in honour of a long-serving JPS worker who is now a consultant to the company and awarded for the first time, went to Mr Perry Crawford of the Systems Control Department. It is tenable at the University of the West Indies.

## CANADIAN FIRM WORKING ON JPS PLANT HAS CONTRACT TERMINATED

Kingston THE DAILY GLEANER in English 2 Dec 82 pp 1, 7

[Text]

A CANADIAN company has been ordered to leave the site of the Jamaica Public Service Company's (JPSCo) plant at Old Harbour and has had its contract to repair the No. 3 generating unit there terminated without the unit being returned to service after the JPSCo spent about \$10 million on the repairs, the 'Gleaner' has learnt. All the Canadians, who at one time numbered over 50, have reportedly now left the country.

At the same time, another set of foreigners employed by General Electric of the United States has been in the country since August 18 working on the No. 4 generator which blew up last December. A spokesman for the General Electric workers confirmed

to the 'Gleaner' that expected completion date is December 15 and this should significantly improve the country's power-generating capacity. It is also understood that it is being contemplated to have the General Electric crew work on the No. 3 which the Canadians failed to bring back into operation.

According to information reaching the 'Gleaner', the Canadian power company, Foster Wheeler, was contracted in February and their representatives began arriving in the island in March with orders to do repair work to the turbines and boiler of the No. 3 unit at Old Harbour, which has a capacity of 68 megawatts. The time set for the completion of the job was ten weeks. However, several problems kept developing and

the date for completion was constantly being put forward.

Engineers at the JPS Old Harbour plant told the 'Gleaner' that attempts to get the turbines functional constantly resulted in the destruction of bearings in the turbines, resulting in reconditioning and new ones being ordered from abroad. The problems were later found to have been seriously underestimated.

At the end of October, the management of the JPSCo. reportedly gave the Canadian company an ultimatum to finish the job by November 11 or pack up and leave. When no progress was seen, the Canadians were asked to leave the site. The contract was formally

terminated this week.

It is further understood that the original estimate for repair of the unit was \$5 million, but the lengthening of the time spent by the crew at Old Harbour, additional materials and other costs pushed the final figure to about \$10 million. Sources close to the JPSCo state that the Company is attempting to recover costs from Foster Wheeler but that this might not prove feasible.

Meanwhile it is understood that the JPSCo. intends to approach the General Electric team to take on the job of repairing the No.3 unit to fulfill the Government's intention of having sufficient power to meet peak demand of 220 megawatts and to allow proper maintenance of the units by removing some units for general maintenance overhaul from time to time without disturbing the public electricity supply system.

It is understood further that the major unions representing workers at the JPSCo are upset over the deal with Foster Wheeler and at least one union is expected to make a public statement shortly on the matter. The Foster Wheeler crew was put up in a local hotel at a daily cost of U.S.\$70 single and U.S. \$80 double occupancy. The members of the crew were

reportedly paid between \$18 and \$66 per hour and were given an allowance of between \$300 and \$400 per week.

The non-functioning of the No.3 unit is said to be costing the country an additional \$130,000 per day in fuel as the gas units being operated to provide fuel are "very inefficient" compared to the No.3 unit, which is steam-operated. It is believed that attempts are also to be made to recover this cost from the Canadian company.

An executive officer of Kingston Industrial Construction Company (KIC), which had a sub-contract from the Canadian company, said he knew about the efforts to recover costs but would make no further comment.



Work being carried out by the General Electric team on the No. 4 unit has been "progressing very satisfactorily," according to informed sources. General Electric originally had a completion date set for the end of September but a spokesman for the group said the problems they found were far greater than they expected. He said however that the management of the IPSCo has been very helpful in helping the company to reach the position where it can say that there will be sufficient power for Christmas.

CSO: 3298/198

## VENEZUELAN ENVOY JUSTIFIES MEASURES AGAINST COLOMBIANS

Bogota EL SIGLO in Spanish 27 Nov 82, p 12

[Article by Luis Rosendo Rojas]

[Text] Pedro Contreras Pulido, Venezuelan ambassador to Colombia, justified the measures adopted by his government to restrict the entrance of foreigners to that country, indicating that the decision was taken after the increased flow of undocumented toward Venezuela became known and due to the critical economic situation the nation is enduring.

The ambassador pointed out that in a raid carried out in a single neighborhood of Caracas, 7,000 undocumented were arrested, of whom the majority were Colombians. He stated that the thousands of undocumented who enter the country are looking for jobs and take away opportunities from the Venezuelans.

The ambassador pointed out that the measures being applied since last Wednesday are intended to exercise greater control over the influx of foreigners to Venezuela, in view of the large number of persons who enter the country with tourist visas and remain there to work. He said there would be inconveniences: those who fill the requirements will have to wait a few days longer before visas are approved. He stated that "instead of applying for a visa in the morning and having it ready in the afternoon, application must now be made 4 days in advance."

#### The Undocumented

Referring to the main causes which led his government to take these measures, the ambassador said:

"We had succeeded in normalizing the immigration of Colombians to Venezuela. But all of a sudden a new invasion started, for reasons we cannot explain. The situation in Venezuela is very difficult; we have an economic crisis. Venezuela is not a golden country for immigration. There is unemployment in the country; there are businesses going bankrupt; the textile industry is closing its doors. We are going through a difficult year, and we do not want those who arrive to suffer our difficulties. Especially, because those who arrive take jobs away from Venezuelans who need to eat and need jobs.



The diplomat added that, because of this new rapid expansion of illegal immigration and the difficult economic situation in Venezuela, the government felt compelled to restrict the entrance of foreigners. "These temporary measures are meant to normalize the situation. Of course, it must be understood that it will be more and more difficult to travel to Venezuela while these economic conditions exist."

He pointed out that to facilitate good commercial relations, a way of giving special treatment to businessmen who need to enter the country is being studied. He added that these controls will systematize immigration to Venezuela.

He maintained that these measures are necessary and, though they might cause headaches and inconveniences, must be retained: "There is no other way but to resort to these extreme measures."

#### Commercial Exchange

Today the Chamber of Commerce and Colombian-Venezuelan Integration expressed concern for these measures, which impede the flow of businessmen between the two countries at a moment when work is being done to facilitate these relations. The president of the Chamber of Commerce, Eduardo Nieto Calderon, indicated that this measure is "cumbersome and causes delays and can amount in practice to the elimination of the existing regulations." He added that, were this situation to last, it would greatly hurt the normal development of economic and commercial exchange.

The Chamber of Integration says: "Precisely a few days ago the board of directors of the Chambers of Integration of the two countries met in Bogota and talked with President Belisario Betancur about the need for a "business visa", that would facilitate the flow of businessmen between the two countries.

Integrationist entities also showed concern about the decision to modify the tariff position of 158 products and forbid import of 146 others, a decision not yet known officially in Colombia. Nieto Calderon said that if these measures become protocol, they can seriously affect contracts arising from the Sub-regional Andean Pact.

Ambassador Contreras Pulido was unable to pinpoint these measures relating to the modification of tariffs and announced his government's intention to facilitate as much as possible the entrance of businessmen, to which end a detailed study will be carried out next week.

#### Venezuelan Crisis

The ambassador underscored the gravity of the crisis in his country in all aspects, indicating that yesterday the local press ran large headlines on the chaotic situation of the Labor Bank, one of the most solid institutions in the country. He pointed out that the economic situation of the two countries is similar: "We are similar even in our weaknesses. We both have our main bank in a difficult situation." He added that Venezuela enjoyed a period of abundance during the oil boom. Now, the situation is difficult and cuts are being

made in the national budget and the importation of luxury items. "We are trying to talk with industrial and labor sectors to keep the crisis from becoming acute. We are trying to produce our own food. Life is collecting on our prosperity, and to pay, we must make sacrifices.

#### Andean Pact

In reference to the Andean Pact, the Venezuelan ambassador pointed out that it has become an "integration anxiety". He said that this process cannot take place overnight, that there must be difficult moments, happy moments and sad moments. "We must be positive. These trials that we have are new trials that must be faced with all seriousness." Concerning the commercial exchange between Colombia and Venezuela, the diplomat said that there is a lack of information about the export potential of each of the countries. He noted that both countries must exchange basic information to be able to trade products rapidly. Neither country has the agricultural calendar of the other, especially when climates are so diverse and there are special conditions of production. He added that data must be exchanged to be able to establish when one country has surpluses or the other needs a certain product.

#### Raids

Returning to the case of the undocumented, the ambassador asserted that the new situation became known a month ago, when an experiment was carried out in a single neighborhood in Venezuela. "In a single neighborhood in Caracas, 7,600 undocumented were arrested, with a high proportion of Colombians and Dominicans. We followed this with similar raids in different localities of Venezuela and proved that the situation was similar. Thus we became alarmed that, once more, we had a problem of undocumented immigrants. People have come into the house without permission and must be showed out. There are 2 million Colombians in Venezuela, of which more than 60 percent have Colombian documents, while the rest are naturalized Venezuelans. But now there are new ones who have not been invited, to which existing rules must be applied so that the great Venezuelan family might not be hurt by people who have not been invited to the house."

He pointed out that there is much police activity throughout the country to fight the problem, which, according to him will be solved "unfortunately through the police."

9341

CSO: 3348/121

## CARIBBEAN FOOD CORPORATION PLANS DEVELOPMENT PROJECTS

Castries THE VOICE in English 1 Dec 82 p 10

[Text] ST. LUCIA is to be the venue for a boat building project to be funded by the European Economic Community (EEC).

The project is one of nine being planned by the Caribbean Food Corporation (CFC) in its programme for the expansion of regional agriculture.

The boat-building scheme is designed to produce a better type of boat for fishermen, with cold storage facilities included.

The nine form a key part of CFC's new three-year food investment strategy, covering the years 1981, 1982 and 1983. Though much of the first year has already been lost because of the slow process involved in getting money transferred from international donors to recipient organizations in the Caribbean, CFC intends to speed-up its implementation efforts now that the first loan (for US\$2 million) has been formally approved in Brussels.

CFC officials in Port-of-Spain the Trinidad capital, stress that the approach to getting projects into existence will be businesslike and commercially-directed now that CARICOM Governments have reversed their earlier "developmental" perspective for CFC and replaced it with an action and joint venture-oriented

mandate.

For its part, the EEC has been impressed with the "food strategy" framework in which the Corporation has cast its activities. This is despite the fact that strictly speaking no formal regional food plan has yet been finalised by the Caribbean Secretariat, as agreed by CARICOM Governments when they decided to establish CFC in September, 1976.

The other projects earmarked for financing on an orderly basis from EEC resources are:

1. Equity investment by CFC in small and medium-sized food development ventures in various CARICOM states.
2. Technical assistance to CFC, in particular for a financial analyst on a long-term basis and for short-term consultants.
3. Rehabilitation of the

CARICOM corn and soya bean company in Guyana via an equity stake and loan finance.

4. Funding livestock projects (hatching eggs and broilers) in various LDC territories.

5. Additional finance for the Belize/Jamaica Corn and Soya Bean Company in Belize.

6. Providing working capital to the company or companies engaged in regional bulk-handling of agricultural inputs, such as fertiliser, pesticides and packaging materials.

7. Financing an expansion of the Wauna edible (palm) oil project in Guyana by another 8,000 acres and providing processing facilities.

8. Funding a regional seed programme for linking-up the existing seed production centres and adding a new one in Belize, as well as training staff and assisting further seed research at the Caribbean Agricultural Research and Development Institute (CARDI).

CSO: 3298/202

## IDB REPORTS ON ECONOMIC ACTIVITY IN CARIBBEAN

Port-of-Spain TRINIDAD GUARDIAN in English 24 Nov 82 p 4

[Text]

BRIDGETOWN, Tues.,  
(Cana):

AFTF" recording a growth rate of almost six per cent during the past decade, Latin American and Caribbean economies as a group will decline by 1.6 per cent in 1982, the Washington-based Inter-American Development Bank (IDB) forecast today.

In a report on economic activity in the region over the past year, the bank said future prospects of the region would be directly affected by developments in the international economy.

This will, in turn, depend upon the macro-economic policies of the industrialised countries "especially those related to employment and price stabilisation objectives," the report added.

These policies, the report said, will also affect freedom of trade because of the mounting pressures in the industrialised countries to impose tariff barriers in order to stimulate employment.

Based on an econometric model developed by the IDB's department of economic and social development, the report anticipates that the region's growth rate during 1982-86 will either show steady improvement or sharp fluctuations depending on the situation of the international economy.

The IDB said although Barbados has been moderately successful in diversifying its productive structure. In the medium term, it will continue to be dependent to a considerable extent on the general international economic situation, especially the magnitude of tourist flows, the demand for its manufacturers, and the level of sugar prices.

The outlook for moderate growth in the Organisation for Economic Co-operation in Development (OECD) countries for the 1983-86 period coupled with the strong development and promotion effort of the Barbados Industrial Development Corporation (IDC), augurs well for the country's manufactured exports, the report added.

The Bahamas economy would continue to be heavily dependent upon international tourism and more generally upon the state of the North American economy, to which it is closely tied.

Guyana's outlook is one of difficulty, with a lower rate of growth in Gross Domestic Product than last year, the IDB forecast.

Net international reserves are expected to continue to decline because of disappointing production and export performance, which is likely to give rise to considerable difficulty in financing the importation of necessary raw materials, spare parts and other inputs, one bank said.

Jamaica's outlook for 1983-86 is for continued growth, as world output and consumption patterns are re-established.

For, Trinidad and Tobago, the IDB said the 1982-86 outlook is for a continuation of strong growth in real GDP, averaging 5.0 per cent a year during the forecast period, even under the assumption of constant world oil prices in real terms.

The balance of payments should grow stronger as the government's emphasis on export-oriented, energy-intensive industries pays off, it added.

## CARIBBEAN MEDIA STALLED IN BID FOR RIGHTS PROBE IN GRENADA

Kingston THE DAILY GLEANER in English 8 Dec 82 pp 1, 17

[Text]

FIVE CARIBBEAN newspapers which have accused Grenada of human rights violations and which have requested the Inter-American Human Rights Commission of the OAS to visit Grenada for 'on-site investigations' have been told that specific authorization of the Grenadian government would be required before the members of the Commission could be allowed to visit detainees being held by the government of Grenada.

Grenada made an oral response to a petition filed by the five newspapers: the *Advocate* and *Nation* of Barbados; the *Guardian* and *Express* of Trinidad and the *Daily Gleaner* of Jamaica alleging human rights violations by the Grenada government. The petition came up at a recent meeting of the Inter-American Commission on Human Rights of the Organization of American States.

At the end of the Grenadian response the representatives of the five newspapers called for visits of the Commission members to Grenada to which the Grenadian representative agreed. However when the Commission enquired whether facilities would be granted for its members to visit detainees the Grenadian representatives said specific authorization would have to be given for this purpose by the Grenadian Government.

A release from Mr. Oliver Clarke of the *Gleaner*, on behalf of the five newspapers states:

"The petition filed by five Caribbean newspapers alleging human rights violations against the Government of Grenada came up before the Inter-American Commission on Human Rights of the Organisation of

American States on November 22 and 24.

At the hearing on November 24, the Government of Grenada made an oral response to the allegations contained in the petition.

At the close of this response the petitioners urged the Commission to visit Grenada for the purpose of making on-site investigations. This was agreed to by the representatives of the Grenada Government. When the Commission enquired whether facilities would be granted for visiting the detainees it was informed by the Grenada representatives that specific authorisation from the Government would be required. The Commission

was also urged by the petitioners to complete its visit and on-site investigations in Grenada in time for the next session which will take place in March 1983.

Appearing for the Government of Grenada were Ashley Taylor, the Chief Legal Counsel in the Ministry of Foreign Affairs in the Grenada Government; Decima Williams Grenada's Ambassador to the OAS; and Deborah Jackson, an American Attorney who is Legal Consultant to the Government of Grenada. Mr. Donald Trotman, Attorney, appeared for the petitioners.

Filed on December 4, 1980 and signed by Oliver Clarke of *The Gleaner*, Jamaica; Ken Gordon of *The Trinidad Express*; Mark Conyers of *The Trinidad Guardian*; Neville St. Grosvenor of *The Advocate*, Barbados; and Stephen Brathwaite of *The Nation*, Barbados; the petition alleged violations of the human rights of the citizens of Grenada and Trinidad and Tobago.

It alleged the following violations: (1) Deprivation of the right of the people of Grenada to participate in Government by the continued failure to hold elections; (2) Curtailment of the right to freedom of thought and expression by the arbitrary closure of the *Torchlight* newspaper and the suspension of the *Catholic Focus* newspaper; (3) Deprivation of property without payment of compensation to the *Trinidad Express* newspaper for shares in Grenada Publications Limited (publishers of the *Torchlight*).

When the matter came up before the Commission on November 22, no representative from the Grenada Government was present. However, Oliver Clarke of *The Gleaner* made a presentation before the Commission on behalf of the other petitioners. Mr. Clarke outlined the history of the petition and brought to the attention of the Commission the case of *The Grenadian Voice* newspaper which went into publication on June 12, 1981 but was closed on June 19, 1981 by the Grenada Government which also detained some of the newspaper shareholders. He also spoke about the large number of persons detained by the Grenada Government although he went on to say that 28 have now been released although their passports were confiscated.

The members of the Commission hearing the petition were: Dr. Carlos A. Dunshee de Abranches of Brazil; Dr. Andres Aguilar of Venezuela; Dr. Francisco Bertrand Galindo of El Salvador; Dr. Tom J. Farer of the United States of America; Dr. Marco G. Monroy Cabra of Colombia; Dr. Cesar Sepulveda of Mexico; and Dr. Luis Demetrio Tinoco of Costa Rica.

The Executive Secretary of the Commission is Dr. Edmundo Vargas Carreno. Dr. David Padilla is the Assistant Executive Secretary.

CSO: 3298/203

## WEBSTER DISCOUNTS INDEPENDENCE, DISCUSSES OTHER ISSUES

Port-of-Spain TRINIDAD GUARDIAN in English 29 Nov 82 p 5

[Text]

**THE VALLEY, Anguilla, Sun., (Cana)**  
**ANGUILLA's Chief Minister, Ronald Webster, has said that there are no plans for this tiny British Crown Colony to become independent in the foreseeable future.**

His statement was made during a keynote address on the political, social and economic aspects of Anguilla's development plan at the second sub-regional localisation meeting of the Caribbean Conference of Churches' Local Development Fund Committees here.

Thirty-five-mile Anguilla used to be part of the tri-island territory of St. Kitts-Nevis Anguilla, but rebelled after the State was granted associated statehood in 1967, repudiating the idea of Government from St. Kitts.

In March, 1969, a British Commissioner was installed, following a landing by British security forces.

**UNDER ACT**

Although since then Anguilla continued to be a de jure component of St. Kitts-Nevis, it was administered directly by the United Kingdom, under the Anguilla Act of 1971, which provides for the termination of that association, should St. Kitts-Nevis opt for independence.

Talks have begun between the St. Kitts-Nevis Government and Britain on independence, which is expected to be granted in the summer next year.

Mr. Webster spoke of his Government's social welfare

plans, including the introduction of a social security scheme intended to provide financial assistance to persons who reach 65 years of age and can no longer work.

Currently, he said, there were about 600 needy people over 65 who received modest monthly payments.

He also spoke of a vocational training centre, to be opened shortly, to provide training skills for the youth.

Mr Webster noted that Anguilla's recurrent budget provided for \$11.7 million, of which \$11 million was to be raised locally.

**CONSCIOUS OF NEED**

He pointed out that 14 years ago, the figure was less than a quarter of a million dollars, 60 per cent of which came from the U.K. grant-in-aid funds.

He said Government would concentrate on tourism to help upgrade the island's economy, adding that Government was discussing a scheme with the Caribbean Development Bank (CDB) to improve the salt industry.

Government, he added, was supporting and encouraging fishing, agriculture, poultry and livestock, and was conscious of the need to ensure

that a proper infrastructure was provided to support development in other sectors.

The Chief Minister listed Government's priorities as: a new 30-bed hospital, a new airport and ancillary facilities, a proper water supply, completion of island-wide electricity services, and construction of a deep water pier at Road Bay.

Government was looking also, into the possibility of building a new airport in the Shoal Bay area. The proposal was for one with a runway of 3,600 to 4,000 feet, to accommodate the Avro 748 aircraft, among others.

The present airstrip was 3,600 feet long, but the landing approach from the west was dangerous, with several houses built in its path.

From this month, three medical doctors would be employed by Government, while other doctors would also be serving the island in a "private" capacity. The nursing staff would be strengthened, and new hospital equipment bought.

## BRIEFS

WATER SUPPLY GRANTS--Bridgetown, Wed., (Cana): Britain is to provide \$240,000 to complement a grant of \$82,000 from Canada to improve fresh water supplies in Anguilla, the British High Commission here reported today. The jointly funded project will consist of water desalination equipment from Canada and funds from Britain to construct a 100,000 gallon storage tank to carry the plant's output. "The equipment will be fed from a pond, resulting in lower running costs than if seawater were used," the commission reported. "The water will be transported and sold to consumers by the truck load at economic rates. "The project is regarded as an emergency backup supply to ease Anguilla's present difficult supply position and as an experiment in the use of reverse osmosis technology for the island's water development, now being assisted by a resident British water engineer. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 25 Nov 82 p 4]

CHAMBER OF COMMERCE REVIVAL--The Valley, Anguilla, Sun., (Cana)--More than 50 businessmen from throughout Anguilla have been meeting here, in an attempt to revive the Chamber of Commerce in this 35-square mile British island colony. An organising committee, which laid the groundwork for the series of meetings, said it had been mandated to continue preparatory work, and was expected to arrange a meeting in three months' time, at which the Chamber would be formally re-established. Businessmen here are now seeing the need for a private sector umbrella organisation to help coordinate the growing number of small businesses. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 29 Nov 82 p 5]

CS0: 3298/204



## UNION HAILS GOVERNMENT DECISION TO FREEZE WORK PERMITS

St Johns THE WORKERS VOICE in English 24 Nov 82 pp 1, 10

[Text]

The announcement by the Honourable Minister of Labour that issuing of work permits will be frozen is welcome by the Antigua Trades and Labour according to a spokesman for the Union. The spokesman said although the step is a little late it is better late than never because the callous way in which work permits were issued is causing much unhappiness among Antiguan and Barbudans and that is the concern of the Union.

It is the hope of the Union that many persons who are now holding work permits will not be given that opportunity next year. The spokesman went on to say that another area in which foreigners are given preferences is in our schools over Antiguan and Barbudans in that as soon as they arrive here room is being found for them mostly in the three privately owned and run secondary schools and in some cases our own government run secondary schools, and this practice too, should be stopped immediately in order to bring Antigua and Barbuda in line with those countries where those people come from and such things can't happen.

There are some Antiguan that will give for

their reason of hiring expatriates is that they cannot get Antiguan and Barbudans to work but this is rather far from the truth in most case. The union have got several examples where employers do not pay their expatriates taxes such as Medical and Social Security. While at the same time they are being slave pay.

The A.T.L.U have to represent a lot of these expatriates when they find out and get wise; at the same time too some expatriate employers are failing to pay the taxes even for some of our local Antiguan who are working for them as maids and when the maids go and report them all that is done is that the Department allows them to pay up some as far back as two years, they should not only pay up the arrears, but they should be taken to Court and be made examples, because they are not only depriving the government but they are defrauding the workers of what is to take care of them if and whenever they reach retiring age.

## ELECTION OUTCOME ALTERS PRESIDENTIAL SUCCESSION PICTURE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 82 p 6

[Article by Carlos Chagas]

[Text] The results of Monday's elections not only put the electoral college securely in the hands of the PDS [Social Democratic Party], allowing President Joao Figueiredo time before the official opening of the succession season in 1984 to frustrate any opposition chances. More than this, the 15 November returns, which are almost fully known, serve to limit the range of possible presidential candidates, making it easier for some and more difficult for others to survive in the coming year without the formal endorsement of the head of government. Among the names mentioned to date, Mario Andreazza gained some points because of his role as campaign manager of the PDS, which was victorious in several states. Octavio Medeiros remains what he has always been, a strategic reserve in case things get thick and the political opening [liberalization; "abertura"] needs to be counterbalanced with someone "stricter" in the Planalto Palace. Aureliano Chaves fell, however, because of the defeat of Eliseu Resende in Minas Gerais, as well as the "debacle" of the UDN [National Democratic Union] movement in Minas. The same thing happened to Paulo Maluf, who was unable to help Reynaldo de Barros make a better showing; to Ney Braga, taken out of the race; and to Leitaõ de Abreu, the author of the Eliseu Resende "solution" in Minas and of the requirement to vote a straight ticket, which backfired on the government. Costa Cavalcanti neither lost nor gained because he took little part in the elections, even though not even Itaipu could prevent the victory of the opposition in Parana. Helio Beltrao is generally in limbo, and Antonio Carlos Magalhaes and Marco Maciel, actually vice presidential hopefuls, may have lost hope because, while they won in the northeast, they witnessed the government defeat in the south. The presidential candidate could need a running mate from Minas Gerais, Sao Paulo or Parana to restore the PDS ranks in the region. If there were any active military presidential candidate, aside from General Medeiros, he also lost out, because the elections were a manifestation of an important stage in the process of opening. Only if the new opposition governors become more radical, with Leonel Brizola in the lead, will there be a return to the alternative adopted since 1964.

## Profit by Shift

Without the action of Mario Andreazza, the president could not have toured the country as a political leader, nor could the PDS candidates, particularly those in the northeast, have won such wide victories. The actions of the interior minister and his appearances throughout the country, emphasizing the plans to give aid to the municipios, served to generate votes. His concern with the social plan and his image as a project maker, the positive side of an unpopular government, allowed the pendulum to swing toward the PDS where few people expected it.

He is a candidate, even knowing that Figueiredo will not declare himself this early, and whereas others are resting, whether or not they have an eye on the presidency, Andreazza is carefully planning the next stage, which begins this week. He will continue to tour the country, inaugurating and listening, linking himself even more closely to the political class and seeking direct contact with the people. He will step up the pace of his activity, which, while political and looking toward the succession, is also inherent to the functions he exercises,

He has the unconditional support of the north and northeast in PDS sectors, and without ignoring this region, he will try to give the same treatment to the center and south of the country. He does not want to force events; that is, he does not expect Figueiredo to rush into some declaration or stand in his favor in the coming year. He is looking for just the opposite: that his name will continue to grow in the political arena so that, in 1984, the president can add his preference to what will then be the majority sentiment in the PDS. He believes that, following the political "opening" the hour will be at hand for social opening despite the serious economic and financial difficulties. Without disagreeing with Delfim Netto, he believes that a large part of the solution to the country's problems rests with the domestic market and the international exploitation of our potential.

He sees Paulo Maluf as one of his principal adversaries, both because of the boldness with which the former governor is seeking to garner support and because of the strange methods to which he has resorted. Andreazza feels he can counterbalance them with his continuing presence and actions among the poor classes and regions and should enlist them in the PDS, including the new figures arising from the 15 November elections.

Andreazza has not put his candidacy above the interests of the system, and he has reiterated that he will support whomever the president chooses at the proper moment, but he is fighting to be chosen, because the selection, if I am not mistaken, will be under different circumstances than before. The future president will not come from the vest pocket of the current president. He must create the conditions and have the support so that Figueiredo's opinion will reflect the opinion of the PDS, without losing sight of the position of other segments in the system, starting with the military. As a colonel in the reserves, he is not identified with the impediments that kept him from succeeding Costa e Silva in 1969. In short, these are different times. The high command has already indicated a desire not to take the lead

in the matter. Above all, the current three- and four-star generals were his contemporaries during his military career.

To defeat Paulo Maluf without resorting to his methods, to exploit his situation as doer, to put his adversary on the same level with the other 458 federal deputies, to smoothe out or neutralize rough spots, such as those from the Geisel group, and to win the support of the whole government: this is his campaign strategy, which the term "social 'abertura'" defines better than any other.

#### Start From Within

General Octavio Medeiros, chief of the SNI [National Intelligence Service] has not declared himself as a candidate and may not be a candidate, inasmuch as he would easily support Andreazza. He remains, or is maintained by the constant activity of his right arm, General Newton de Oliveira e Cruz, as a viable option if another president-general is necessary in the Planalto Palace. The possibility appears remote today, but is not dismissed, at least not by those who would like Medeiros to succeed Figueiredo. The two are as close as brothers and share the same ideas. They have served together since the days before the revolution, and always in the intelligence sector.

Medeiros demonstrates social concern, and although he is part of the government, he believes that many of the nation's problems rest there. Before any other initiative, the official machinery--the government and the state--requires broad reform in terms of efficiency and austerity. Obviously, this is not a criticism of the chief of state but a complementary observation. He does not see how political opening can be reversed, and he feels that, without any setbacks, new steps will be taken within the democracy. He is surprised when it is said that the SNI is a government within the government, because "as an advisory agency, its job is simply to inform the president, never to make decisions."

It is not really quite this way in practice, but at least it can be taken as the view of a candidate, or pre-candidate. Like Andreazza, the general is totally opposed by the "Geisel group," which will prevent his nomination even if it means supporting Paulo Maluf, because of prior resentments and divergent views about the future of the country.

Reserved by nature, temperament and the duties he exercises, Medeiros has faced and overcome difficult barriers, the greatest of which was his scrap with Golbery, which ended quickly with his resignation from the Civil Household in August 1981. It could be coincidence or voodoo, but today the thorn in his side is Minister Leitaó de Abreu, not so much because of the succession issue but of rivalry in the areas of power and influence in the Planalto Palace. Golbery at least talked, discussed and allowed other ministers to take part in examining matters pertaining to his area. Leitaó does not. He decides, he acts, he goes to the president for approval, and leaves it up to the newspapers to let the others know about his initiatives.

It bears repeating that the chief of the SNI does not have, like the interior minister, that ostensive presidential "animus," but he would not back away if his name were brought up by General Figueiredo. In this event we would be returning to the bitter times of the past, because Medeiros does not have a dime's worth of political support or influence among the politicians. Nor does he want it; he completely avoids understandings and contacts with deputies, senators and even governors. So says Pedro Pedrossian, who recently sat for over 4 hours in the reception room of the SNI and was finally obliged to return to Mato Grosso without an audience.

There Is Minas, But...

For many natives of Minas Gerais, beginning with the poet, when one seeks refuge in Minas it is no longer there. In politics it is a little different, but after this week's elections Minas seems to be forcing some natives to flee from it. The defeat of Eliseu Resende may not really have troubled Vice President Aureliano Chaves, who had argued for another solution for a long time. Later he loyally engaged in the campaign of the former transport minister, but he ended by suffering an overall defeat and, in some sectors, almost a personal defeat. For example, Eliseu lost in Tres Pontas and in Itajuba, where Aureliano was born and spent his life as a university student and professor. This is significant, because if he does not have the political support of his own state, how can he win it in other states?

As politics in Minas Gerais is a man's game, it may be that, sooner or later, all contracts are cancelled. After all, if elected Eliseu Resende would have swung to Mario Andreazza, his friend and mentor. Tancredo Neves, although a member of the PMDB [Brazilian Democratic Movement Party], might go for a great national consensus, leading the opposition, or part of it, to a general coalition with the government. The candidate would undoubtedly be the vice president, and the new governor would go down in history as one who unselfishly helped to give Minas, if not what belongs to Minas, at least what Minas has wanted ever since Juscelino Kubitschek: a president of the republic.

The problem with Aureliano Chaves is that, in the event that he becomes the consensus candidate, he cannot or will not work with the party, forming his own ranks like Andreazza and Paulo Maluf. If I am not mistaken, prior political support will carry considerable weight in the next campaign for the presidential succession. Finally, after going hungry for 18 years, the political class is being invited to the power table, at least to share in the dessert--sweet, if not life-sustaining.

#### Complicating Element Weakened

Paulo Maluf has always been considered a complicating element, although an impertinent one. Since he broke ranks and trampled through the procession, making himself governor of Sao Paulo against the decisions of presidents Geisel and Figueiredo, he has been put in quarantine. He has tried to recover himself, offering his services as beadle, steward, police agent,

political chief and social liaison for the government, and has even won praise for this, but it would be presumptuous to think that the Planalto Palace will accept a new incursion into its programs in progress. He could be the candidate of General Golbery do Couto e Silva, inasmuch as the general would use any means to thwart Andreazza or Medeiros, and in the last analysis he might even be capable of winning the support of General Ernesto Geisel. However, neither of these men has much weight in terms of political or military support.

For a long time Maluf has been preparing the bases for support from the PDS bench. He has used every possible means, even after he left the Sao Paulo government, to maintain and broaden this support because, once formed, it is the Maluf wing of the party. As a federal deputy, he has toured the country several times, winning over PDS convention delegates to his candidacy. He is even thinking of asking former Governor Marco Maciel to be his vice president.

He could be cut off in mid-course by some blow from the regime or the government, but as this appears inconsistent with political opening, the government will continue to ignore him. He was weakened by the defeat of Reynaldo de Barros, his candidate for governor of Sao Paulo, even though he won over 600,000 votes for federal deputy, a prediction which had so angered his PDS rivals that he was led to announce publicly that he would win only 280,000 votes. He may be sorry that his false prediction was not borne out.

Everyone is saying that Minister Leitaó de Abreu is a candidate, but to date no such mention has been heard, either from him or from any member of parliament. First, out of prudence, because it is not his place to announce himself, and second, for want of backing. Nonetheless, if he is or considers himself chief of the Civilian Household, he will start out with a deficit. The current elections revealed the weakness of the Eliseu Resende solution in Minas, and it was designed, arranged and decided on at Leitaó's desk, even after advice and warnings from several politicians, including Aureliano Chaves and Ibrahim Abi-Ackel. The candidate was not a member of the family--this was proven yesterday--but neither is his mentor. Moreover, the overall vote was not in favor of the government. On the contrary, men of caliber, such as Ney Braga, did not remain in or did not regain a senate seat solely because of the requirement to vote a straight ticket; furthermore, this was the sole cause of certain opposition victories. The defunct PP [Popular Party] decided to incorporate with the PMDB because the voters were required to vote for candidates from the same party. If this restriction had not been imposed, at least Gilberto Martinho and Tancredo Neves would have been more "likely" governors. In the same way, the PDS would not have lost in Parana, because with the PP's Jaime Canet on one side and the PMDB's Jose Richa on the other, who could have expected the victory of Saul Raiz? Even in Sao Paulo, if Olavo Setubal could have represented the PP, could anyone have guaranteed that Franco Montoro would have won the Bandeirantes Palace so easily? In Rio, Miro Teixeira, also representing the PP, could have led Roberto Saturnino to be the PMDB candidate against Leonel Brizola for the PDT [Democratic Labor Party]. Might not this have increased the chances for Wellington Moreira Franco?

Costa Cavalcanti does not deny he is a candidate, but up to now he has reiterated that anyone who rushes into a campaign will tire and will lose in the end. He should step up the pace of his campaign with the inauguration of the power generation plant in Itaipu, in the middle or at the end of 1983. He is carefully building political, military and business support, inviting a parade of deputies, senators, generals, colonels, and business and industrial leaders to tour the construction site. He has not let himself be sullied by the elections. Not even Itaipu, with all the benefits it has brought and will bring to Parana, was enough to elect Saul Raiz and Ney Braga. At the same time, in the northeast more than a few people cried out against the installation of the plant, feeling that the billions of cruzeiros spent on it belonged, almost by natural right, to the northeast and could have alleviated many of its afflictions.

Helio Beltrao is considered a model citizen, a good administrator and a wise politician, in a position to bring together and represent trends. Are these characteristics enough to make him a candidate? Many think so, even considering him a choice capable of solving impasses between other names. If colors were given to the various candidates, the minister of social security would choose navy blue, but since the canvass remains white for now, he can only wait.

Regarding Marco Maciel, touted by personal secretary Heitor de Aquino and by General Geisel as presidential material, he will most probably end up as a vice presidential candidate. For Heitor, it would be as a running mate for Paulo Maluf. For the former president, it would be as running mate for Aureliano Chaves. Maciel could not run with Costa Cavalcanti, who is also a Pernambucan although he was born in Ceara, nor with Mario Andreazza, because Antonio Carlos Magalhaes is fighting tooth and nail to be on that slate.

There is a complicating factor in the picture of possible vice presidential candidates from the northeast: the region will have the president of the chamber, the president of the senate and at least the majority leader in the upper house, as well as the president of the PDS. In this tossed salad we find Flavio Marcilio, Jose Sarney (twice), Nilo Coehlo, Vergilio Tavora and Marco Maciel himself. The point that comes to mind, also generated by the grim electoral results for the government in the southern states, is that to recompose the party there, it may be necessary to choose a vice presidential candidate from its weakened ranks. It is too soon to suggest names. Perhaps none exists yet. But there may be many. In Sao Paulo, for instance, apparently it will fall to Miguel Colasuonno to put together the shattered PDS, and nothing would be better than the prospect of being selected as a running mate for Andreazza. In Minas, with the defeat of Aureliano, Francelino, Magalhaes Pinto, Bias Fortes, Murilo Badaro and Mauricio Campos in the respective elections, there remains Ibrahim Abi-Ackel, since in the municipios under his influence Eliseu Resende won by a large margin.



## CANDIDATES BACKED BY ORGANIZED LEFT GIVE POOR SHOWING

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Nov 82 p 4

[Text] The so-called "organized left"--that is, the PCB [Brazilian Communist Party], the MR-8 [8 October Revolutionary Movement] and other organizations or dissident groups--were soundly defeated in the Rio de Janeiro elections. The only exceptions were the candidates supported by Luis Carlos Prestes, who won his first major victory over the group led by Giocondo Dias.

The local ecclesiastical communities failed their first electoral test. The PT [Workers Party], which had the support or sympathy of most of the communities, won only 3 percent of the votes in the city of Rio and in Rio de Janeiro State. Even in Volta Redonda, where the action of Bishop dom Waldir Calheiros is very important, although the PT made a much better showing than in other cities, it still came in last. In Nove Iguacu, the local bishop, dom Adriano Hipolito, who has already been a kidnap victim, supported the PMDB [Brazilian Democratic Movement Party], which took only a modest third place.

The PMDB was certain it would win in Nova Iguacu (Leonel Brizola was the victor there). It was relying greatly on the support of the church, on the power that its deputies would give to the party because of straight ticket, and on the choice of a local parliamentarian--Jorge Gama--as running mate for Miro Teixeira. Now all these leftist areas are assessing the election results and making plans for the future.

## Prestes and Giocondo

Although it is impossible to separate the electoral prestige of Luis Carlos Prestes from the power of Brizola, who promoted the unknown PDT [Democratic Labor Party] ticket, the fact is that the candidates backed by the former secretary general of the PCB made the best electoral showing. Jacques Dornellas, a cassated army sergeant, is among those probably elected to the chamber. Eduardo Chuhay, who made a good showing, and Afonso Celso were elected state deputies. Bocaiuva Cunha, another candidate whom Prestes backed in the interior in an alliance almost as inexplicable as the alliance of Miro and Giocondo, was also elected. Prestes also got his councilman--Antonio Pereira--elected in Rio, along with Emir Ahmed, as well as spreading



councilmen around in municipios in the interior, such as Niteroi, Mage, Macae, Teresopolis, Caxias and Sao Goncalo.

The showing of the candidates of Giocondo Dias in the PMDB was deplorable. Hercules Correa, the official candidate of the "PC leadership" in the Chamber of Deputies, came in close to last. Marcelo Cerqueira and Modesto Silveira, who were seeking reelection, were also defeated. The showing of the candidates launched or supported by the "big party" for Legislative Assembly was not any better. Alves de Brito, on whose committee Giocondo put himself, was not reelected. The last hope is Heloneida Studart, who still has a chance of being reelected, although, ironically, he is competing for the spot with Godofredo Pinto, another candidate from his group. Another candidate, Ciro Kurtz, who was censored in 1969, also lost.

The results were no better in the Municipal Chamber in Rio. Alberto Rajao, the major candidate supported by the left, lost, as did Sergio Granja. Of all the leftists launched by the PMDB, the only councilman elected was Sergio Cabral, more because of his prestige as a sports and carnival commentator than because of his ideological position.

The PCB did no better. Less optimistic, it launched only one candidate, Carlos Henrique de Moran, and did not get him elected. All those who were seen as "leaning toward the left" were also out, such as Marcio Morena Alves and several whose civil liberties had formerly been abrogated, including the deportee who performed plastic surgery on Lamarca. The only exception was Lizi Vieira, who was elected state deputy by the PT, while Carlos Fayal, a former exile, got a big vote.

The worst showing of all, even considering its modest pretensions, was that of the MR-8, now considered finished in Rio. It was so badly mangled that it is already being said it was divided into MR-5 and MR-3. The groups supported former Senator Mario Martins, who came in last in the substate and in the total vote. It backed three candidates for the chamber--Franklin Martins, Carlos Alberto Muniz and Antonio Carlos. None of them won and all of them made an insignificant showing. The same thing happened to the candidates for state deputy and councilman. For them, the time has come for the celebrated "self-critique." In the "big party," Hercules Correa has already telegraphed Brizola, and the others are beginning preparations to compete with the Chagas group for control of the PMDB.

#### Battle

On Tuesday, when the Rio State PMDB will hold its first "evaluation" meeting to analyze, discuss and take a position on the elections, the long and painful struggle will really begin for control of what remains of the party, whose powerful and efficient electoral machine was pulverized, finishing in third place. What remains of the party is the Chagas faction; of the 28 mayors that the PMDB elected, only one, Paulo Rattes, of Petropolis, is not under the leadership of Governor Chagas Freitas (who still remains silent about his political future, saying only that he intends to go back into journalism). Of the 9 or 10 federal deputies who could be elected, none is leftist. Of

the 12 state deputies, the left will be lucky to elect one, and only one councilman is outside the Chagas current.

Despite these figures, the left thinks it will gain control of the party, primarily because Miro Teixeira has already publicly announced his break with the past and a promise to assume the leadership of the sector. Deputy Marcelo Cerqueira (who was not reelected) is secretary general of the party, whose president is Miro. Cerqueira does not wish to comment on the reported dispute. "It is a matter which I am not anxious to discuss," he says, adding, however, that "the bench is not the party and Chagas does not have the PMDB sewed up."

Miro, Cerqueira and all the others, including Giocondo Dias, who has only a tactical alliance with the PMDB, reiterate that the important thing was the party's showing in the national elections, which will be enough to keep the Rio de Janeiro leadership alive. For their part, the famous "black moons," Miro's powerful advisors who are now blamed for the defeat, think the Chagas faction will leave the party for the PDS or the PTB, which the interested parties are denying.

6362

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## SPOKESMAN FOR MALUF CONFIRMS PRESIDENTIAL CANDIDACY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Nov 82 p 2

[Report by Eymar Mascaro]

[Text] Sao Paulo--For the first time, Calim Eid, chief of the civilian household and principal advisor of Paulo Maluf, has decided to open the game and confirm that the former governor's presidential candidacy is "on the level." The announcement came yesterday after Bahia Governor Antonio Carlos Magalhaes had the idea of proposing to President Figueiredo that he choose immediately--or by February 1983--the name of his successor, to take office in 1985.

While, in Sao Paulo, Calim assumed responsibility for confirming the report, Maluf traveled to the interior of the state to join the group that accompanied the president of the republic on a visit to three cities: Aracatuba, Birigui and Bauru. Paulo Maluf was governor of Sao Paulo for 3 years--1979 to 1982. He resigned the office provisionally in order to run for the Chamber of Deputies on the PDS [Social Democratic Party] ticket. Before he was governor, he was mayor, president of the Federal Savings Bank and secretary of transportation under Governor Laudo Natel.

## Candidacy Irreversible

"Paulo's presidential candidacy is irreversible," Eid declared, although he acknowledged that any other possible candidate to succeed Figueiredo has the right to go to the PDS convention. "The person who wins in the convention wins the candidacy, and it has to be this way, because the constitution must be followed to the letter, as the president of the republic has repeatedly declared," noted the head of the civilian office.

Eid also passed off as "mere speculation" reports of names that might be included on the Maluf ticket as his vice presidential running mate, as happened recently with regard to Marco Maciel, former governor of Pernambuco. "Paulo has not been thinking about this," he assured.

Eymar Mascaro

According to calculations made by the Civilian Household, Maluf should win, at most, 300,000 votes as candidate for federal deputy, which represents

about 10 percent of the vote which the PDS expects Reinaldo de Barros, the party's gubernatorial candidate, to win on 15 November, or about 3 million votes (of a total of 13 million voters in the state).

According to Calim, Maluf is a presidential candidate because, "first and foremost, he is a politician. He has already declared, for instance, that a lieutenant seeks to be a captain, a captain wants to be a major, and so on, up to general. Since he is a career politician, within the democratic regime he has the right to seek the presidency of his country."

#### What He Will Do

Maluf is 52 years old and has four children--Ligia, Lina, Otavio and Flavio--and no grandchildren. He will take a trip after the 15 November elections, extending it into January, for a rest. Only then will he resume his presidential campaign. He does not personally intend to compete for the presidency of the Chamber of Deputies, because he feels that this way he will have more time to work on the college which elects the president. The former governor has not yet decided if he will travel abroad or will vacation in the northeast.

Maluf has decided to live in Brasilia as soon as he enters the Chamber of Deputies. In their three meetings with 150 PDS mayors, he and the chief of the civilian household made the same promise as in 1978, that they will go up the ramp of the Alvorada ["Palace of the Dawn"] together. The invitation was extended when Maluf asked the mayors not to campaign any more on the base of the "shrimp vote," but to help elect Reinaldo de Barros governor.

6362

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## POST ELECTION ACTIONS OF OPPOSITION PARTIES, LEADERS PROJECTED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Nov 82 p 2

[Carlos Castello Branco Column]

[Text] Brasilia--On his way through Brasilia, Ulisses Guimaraes expressed the hope that after the election the opposition forces will overcome the "government's Machiavellianism, which succeeded,"--that is, the disintegration of the opposition--and will again find a common point that will make its reunification possible. It is obvious that it will not be difficult to reunite the various opposition blocs to vote on bills such as the one that reestablishes the direct election of capital mayors, although the opposition lacks a quorum to approve constitutional amendments. They do not even have a majority in congress as yet.

In fact, however, the "Machiavellianism that succeeded" really did succeed. The reincorporation of the parties that make up the opposition roster is today an impossible dream, and to aggravate the situation of the Brazilian Democratic Movement Party (PMDB)--the lead car of the movement--that party is going to suffer erosion, in some states because it won and in others because it lost.

In the first place, let us examine the situation of the Workers Party (PT) and the Democratic Workers Party (PDT), which are going to elect blocs of around 30 deputies each, and in the case of the latter party possibly the governor of Rio de Janeiro, the center of the formation and dissemination of public opinion with national projection. It is not likely that Luis Inacio da Silva will abandon his plan to organize the Workers Party. He will have what does not yet exist in congress--a bloc that will include various workers. His proposal may change in the medium term but never at the present time.

In the case of Leonel Brizola also, he is not thinking of dissolving his PDT within the PMDB, on the contrary. He is preparing to hold a socialist congress, for which he desires the participation of the socialists included in the current parties, especially in the PMDB. Victorious in Rio, if that should occur, according to the indications of the moment, he will have a large field of maneuver and a secure base to reconcile the democratic left around his plan.

The problem of the PMDB will probably be not to restore the unity of the opposition properly speaking but to preserve its survival and maintain its present cadres. The majority of that party's candidates for governor are men from the

liberal center with a slight leaning toward the left. But there cannot be any doubt that neither Franco Montoro nor Tancredo Neves, Jose Richa, Pedro Simon, or Iris Resende, to mention only the better known and those favored by the public opinion polls, are going to install governors with the participation of the Brazilian Communist Party (PCB), the 8 of October Revolutionary Movement (MR-8) and the other groups that support them in the elections but which have their own identity and their own political objectives.

The PMDB, victorious in some states, will be the PMDB with a conciliatory vocation and, once the phase of euphoria has passed, they will have to devote themselves to seeking methods of coexistence with the federal government and of solving the specific problems of their states, especially those of an economic nature. Tancredo Neves announced that he plans to renegotiate the foreign debt of Minas. That does not appear to be feasible. The endorser is the Central Bank and negotiations of that type are held under the guidance of the federal government. What can happen is that the governors from the PMDB may exert pressures to renegotiate the debt and become an instrument to convince the federal government, by mobilizing the people and the business community, to introduce changes in its economic-financial policy. If they are strong enough to shake the dominant thinking in the government, there would be a change of personnel in the management of the economy, and in that case one would have to think of Olavo Setubal and others, who would reconcile systems and generate confidence on both sides.

Former Minister Almino Afonso, PMDB candidate for the senate in Sao Paulo, predicted that after the election, there will be a readjustment of cadres in the PMDB in the sense of becoming homogenized with its left wing. But the facts indicate otherwise and it is probably the left that will have to leave the PMDB and decide between allying itself with Leonel Brizola or Lula, or creating a new party. Any of those possibilities suit the government and may suit the left. The PMDB would remain in the left only if it were to suffer a broad defeat in such a way as to lead its leaders to seek alternatives that would open up the possibility for them to reenter the system of power in the medium term.

The far right, which is showing signs of uneasiness, should not create problems for President Figueiredo, who will have at his disposal sufficient information and evaluation elements to diagnose election results as normal, whatever they might be, and their projection over the near future of the country. The liberalization plan will continue and the tension of the hardliners should end by virtue of the real situation of the country.

8711

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## INNER CIRCLE OF FRANCO MONTORO ADMINISTRATION VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Dec 82 p 14

[Article by Aluisio Toledo Cesar]

[Text] Although it is still 2 months before his inauguration, the Franco Montoro administration is beginning to reveal certain characteristics which could predominate during his 4 years in office. The most outstanding of these is the hegemony of his sons Andre, Eugenio and Ricardo, who form a kind of "security belt" around their father and are already influencing decisions.

The importance of these young men to the future administration should not come as a surprise, because they have a close understanding among themselves and with their father. The two Montoro generations do not hide the sons' admiration of their father and vice versa, the result of a continuing exchange of views on matters of interest to the new government.

In light of this, they have formed an ex-officio "family council," seclusive in nature and with a tendency to avoid independent decisions. The lesson to be learned from this knowledge is that, in the formation of the team, anyone who is acceptable to the sons will also be acceptable to the father, and vice versa.

The opposite is also true: if some one does not please this circle, he will automatically be excluded from the selection process.

The Montoro family "filter" in the formation of the government has already been sensed by the political class. At the moment, there is no real jealousy, rather an increasing prospect of evaluating preferences (among individuals) who have not yet been ruled out.

The fact is that the PMDB [Brazilian Democratic Movement Party] senator has not yet decided on a single appointment. Politicians comment that such an attitude is not his own option, but that of his sons, who may be trying to put off dividing up the pie for as long as possible, to avoid discord in the party.

Even the decision that only one person (journalist Quartim de Moraes) should speak for the future government may be the result of pressure on the governor from his sons, to prevent office-seekers from being able to insinuate themselves onto the team.

Judging from quasi-official reports, the governor-elect wants to promote some changes in the working style of the civilian household. His son Eugenio Montoro will hold the position of chief secretary, although the pose will be more administrative than political.

He might come to direct the agencies attached to the civilian household and supervise the administrative and technical matters that necessarily come to the governor. Regarding the political side, the decisions will be the responsibility of a three- or four-member political council.

The mere mention of this program is a demonstration of the plan to reduce the importance of the civilian household. Since there will be a political council, the most logical conclusion is that there will not be just one person making the decisions. From another angle, it can be assumed that no one will hold the political power except the governor and--who knows?--the "family council."

Among PMDB parliamentarians it is being said, and it is apparently true, that former Deputy Chopin Tavares de Lima, a friend of Franco Montoro for more than 40 years, has been invited to be a member of the political council, but has not yet accepted. As an experienced congressman, he must be foreseeing the difficulties that he would have to face in the palace if his views clashed with those of the governor's sons. Although their relationship is cordial today, one must assume the risk of possible disagreements.

Hence, instead of remaining in the "court," as the majority might wish, he may prefer to be secretary of the interior, a post of lesser importance but one over which he could maintain control.

Chopin Tavares de Lima is a name that will certainly be a part of the government. Although the senator and his sons have not announced their choices, in some instances they are well known. This would also be the case with publicity man Jorge Cunha Lima, who has been connected with the senator for 30 years.

Although there has been no announcement, it is natural that Cunha Lima would be named to the Secretariat of Communications because of his work during the electoral campaign and his easy relationship with the Montoro family and other team members, such as Chopin Tavares de Lima, Jose Serra and Fernando Henrique Cardoso.

In this phase of drafting the administrative program which the new government will seek to implement, certain people stand out, such as economist Jose Serra, who will undoubtedly have the final word on economic matters and could be named either secretary of planning or of finance.



Other prominent names include attorneys Miguel Reale Junior and Jose Carlos Dias. The former may already have been promised the Secretariat of Justice while the latter is being considered for the Secretariat of Security (his confirmation depends on the approval of plans for the secretariat by the governor-elect and his sons).

Bearing in mind that nothing is official, we should also mention Paulo de Tarso Santos, former minister of education, who might represent a kind of "wild card" on the list of members of the future government. His name is being considered either for the political council or for the Secretariat of Education or Culture, or even mayor of the capital.

The possible choice of Paulo de Tarso Santos for the highest echelon of the Montoro administration has nothing to do with the political and electoral power of his brother, Luis Carlos Santos, who made one of the best electoral showings in the PMDB. The choice of the former would not be a kind of repayment for the latter, because the relations of both men with the future administration are entirely individual.

The same can be said of Deputy José Yunes and his brother Joao Yunes, who is under consideration for secretary of health, because their respective strengths are different. Both men could be chosen or honored.

Another possible member of the future administration is former Deputy Almino Afonso, who won sympathy and respect even in defeat (he lost the senate race to Severo Gomes). The indications are clear that Montoro will make it up to him, and one way would be to appoint Severo Gomes to an important post in the new administration, thus creating a vacancy in the senate for Almino.

This would please Ulysses Guimaraes, president of the PMDB, who seems to have no claims on the state of Sao Paulo, as well as Fernando Henrique Cardoso, the new senator who will assume the seat left vacant by Franco Montoro.

In the composition of his team, the future governor could also use Deputy-elect Mario Covas, but this is a more delicate question, because Montoro and his sons already perceive that the Sao Paulo gubernatorial succession in 1986 is practically open. Incredible as it seems, even before the governor assumes office, we are already seeing signs of a contest between Orestes Quercia and Mario Covas.

These two politicians know that whoever distinguishes himself most in the next 3 years will be the party candidate in the 1986 elections. Less discreet, Senator Quercia does not hide his intention to run, and has already contracted to have literature printed for his campaign, which should begin on 16 March.

The Minas native's campaign is not particularly pleasing to the Montoro group, although they all recognize his right to run for office. His ambition may lead Orestes to try to influence the composition of the municipal government of the capital, because the mayor is usually the gubernatorial candidate of the party in power.

If the mayoralty were given to Mario Covas, Severo Gomes or Fernando Henrique Cardoso, Franco Montoro would be expressing an immediate preference regarding his succession. According to the decision he makes, he could also be creating a rift in his relationship with the vice-governor-elect.

It is perhaps because of these problems that Montoro's "family council" is waiting as long as possible to divide up the administrative pie. In short, this seems to be the only way of preventing conflicting ambitions from developing into open disagreements within the party.

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RIO DE JANEIRO GOVERNOR-ELECT LEONEL BRIZOLA INTERVIEWED

Major Challenges

Rio de Janeiro MANCHETE 11 Dec 82 pp 14, 15

[Interview with Leonel Brizola, governor-elect of Rio de Janeiro, by Ateneia Feijo, in Rio de Janeiro on 28 November 1982]

[Text] With his rest interrupted in the mountains of Friburgo, having been discovered by the newsmen, Governor Leonel Brizola returned to the seacoast, taking refuge in his apartment on Avenida Atlantica in Rio. There, as promised, he granted an exclusive interview to MANCHETE, discussing the major challenges he will face during his term in office.

1. Governor or President of the PDT [Democratic Labor Party]

"The people elected me governor of Rio de Janeiro. I will work 'full time,' devoting all my energy to the task of governing. I will be helping to develop the party at the same time. The best way to advance the party will be to work for the public welfare and for a good administration, by specific and democratic action. The leadership of the PDT will pass to my colleagues."

2. Parliamentary Support

"I will value the legislative branch, as is my duty, cultivating the best and healthiest relations of consideration and respect for all its members. The PDT will not have an absolute majority, hence understandings and alliances lie ahead for us. Immediately, it will be constructive if the leadership is multiparty and proportionally representative. It is vitally important for the state that the executive and legislative branches work together on basic issues affecting Rio de Janeiro. I feel this will only be possible with mutual trust and through discussion and clarification between the two branches."

3. Administrative Cadres

"Rio de Janeiro is the richest state in the country in terms of political and administrative cadres. In addition to members of my own party, we have

countless people available, highly capable men and women in the most varied fields of activity, who will implement the general directives of the program which we advocated in our campaign. My criteria in the selection will be honorability, competence and efficiency in those who assume the commitment to devote themselves first to their work, with concern for the good of mankind. My method will be to work shoulder to shoulder with my partners, valuing them, yes, but still sharing responsibility for the actions of each of them."

#### 4. Mayor of Rio

"The best choice is always one that results from free elections. I will continue to struggle to enable the people of Rio and the other municipios (Volta Redonda, Caxias and Angra dos Reia) to choose their own mayors. Meanwhile, as is my duty, I will assume my responsibility for selecting the mayor of Rio de Janeiro, after wide consultation. I will select a name that meets the expectations of the people. Just as in the organization of the secretariat, we will not begin working with names until January. Working side by side with this individual, I will be mayor of Rio, too."

#### 5. State, Federal Government and Municipal Relationships

"Just as I will not permit any discrimination among the municipios, regardless of the political positions of their mayors, I am certain that President Figueiredo will not permit any type of discrimination with regard to Rio de Janeiro. If that happened, it would be discriminating among the people, which is inconceivable. Once the first inhibitions are overcome, I expect this whole complex of relationships to reach a constructive and normal level. There will be no room for anyone who wishes to act differently. I believe that we have arrived at a situation such that we will have to accept the appropriateness of decentralization. The growing giantism of the union is only one of the most serious aspects of what many have described as our national sickness. Many actions and programs, housing, for example, can be done more efficiently and economically by the communities themselves than by the municipios, which can handle them more economically than the state, which can, in turn, act more efficiently than the federal government. We have been moving in precisely the opposite direction."

#### 6. Rio de Janeiro, State in the Federation

"I have the honor of being the first legitimate governor of the state of Rio de Janeiro. When the government of the Union was transferred to Brasilia and Guanabara was incorporated in the state of Rio de Janeiro, under completely arbitrary rule and with appointed governors, without representation, it was impossible for our state to be autonomous. Brazil is and remains a federation. The authoritarian regime itself has always averred in its laws that the federation and the republic have been and are untouchable. We must assume our autonomy, as must the people of Sao Paulo, Minas Gerais, Rio Grande do Sul and all the other states, and units as a community, as our

countrymen should, behind our legitimate interests, with a clear vision of the future, assuming responsibility for our own problems. We must define the limits of our authority, considering that the original powers always rest with the states. We must also define our rights and duties within the federation and with regard to our national development, starting with our own strengths and our potential."

#### 7. First Measures

"During this interim period between the elections and the assumption of office, I will be concerned with structuring the government and the administration at all levels, conducting every possible study to take stock of the situation. The first actions will be of an emergency nature, to handle the most urgent and pressing problems. I am sure I will find the state in an extremely precarious financial situation. I will conduct immediate studies in this respect, and try to let the people know the condition in which I find the state's finances and what commitments have been passed on to me. I am very concerned about the legacy they have prepared for me in the last few months."

#### 8. Priorities

"I would like to open up a wide-ranging discussion with all sectors of the population and their representatives in the areas of labor, production and culture and in their communities, in the capital and the interior, to draft our development plans and then to define our priorities. During the campaign, we advocated general guidelines and methods of action. We need to examine our basic problems, with the full participation of all sectors, and unite to solve them: problems of development, employment, income, zoning, basic services; in short, our people's living conditions. The essential thing in all this is that we define and take on our own problems. We must convince ourselves that big daddy, the federal government, is no longer with us, and now we must be a united, independent community, aware of its own responsibilities. We cannot go on being a colony of lobbies and pressure groups, which examine and resolve specific problems and disregard the majority of the people and their real problems, which is typically the case in the Baixada [Fluminense], the fringe neighborhoods and the favelas."

#### 9. Education

"I will give top priority to education. Unless we firmly face up to this problem, we will never escape from poverty, backwardness and subjection. The people are our greatest resource. We cannot think of Brazil as a power unless we uplift the culture of all Brazilians. Before we can educate our children, we must feed them. To provide an education under the conditions in which we now find most of our people, it is not enough to provide a classroom and a teacher. We must help our children out with nutrition, doctors, dentists and a lot of love and attention during the whole year. I am going to give greater prestige to the teaching profession, and by the end of my

term we will have educated and assisted all the children in our state. I estimate that 700,000 children and adolescents are not attending school or receiving assistance in Rio de Janeiro. I will try to cooperate with the good private teaching establishments, but I will devote myself primarily to public and free education at all levels and bring it up to a higher standard."

#### 10. Violence

"I will try to enlist the support of the people, the judicial power, the Public Ministry and, certainly, most of the members of the Civil and Military Police. Together, we can make a great effort to change our environment. The basic cause of violence is social inequality and lack of education. However, the intensified manifestations of violence which we have been experiencing arise from harsh and repressive regimes. Public officials, from the governor, secretaries and chiefs at various levels down to the simple agent or soldier, must have the same posture: civility and respect for human rights. In all this, I am quite sure the example is set from above. I know we will have big problems in this sector, but I am going to work shoulder to shoulder with my security secretary. I know I can count on the support of the people. I am going to initiate a complaint department in my office, with a lot of telephones, and it will function day and night, with standards for classifying and handling incidents."

#### 11. Favelas and Poor Communities

"I would like to face the problem of the favelas and poor communities clearly and with general support. This is a social duty which we cannot shirk. In Rio Municipio alone, there are over 400 favelas, with almost 2 million people. After discussing it with the people, we will initiate a self-sustaining plan which I will pursue as far as it can go during my term, and the governors who follow me will not be able to interrupt it. Basic items in this plan include a transport terminal, public services, urbanization, land ownership, better housing. No relocations; we must make these communities habitable and befitting human dignity. Most important of all, there must be nurseries and centers for education and assistance to nursing mothers, children and adolescents in these communities."

#### 12. Baixada [Fluminense] and Districts

"Improvement of the environment and living standard of these vast communities, providing such basic public services as water, basic sanitation, paved streets, access roads, parks and playgrounds, and, above all, educational centers with food and medical assistance, will be a continuing concern of my government. I know I can count on local cooperation from the respective municipal administrations. Transportation and job opportunity are included among our major goals in terms of development."

### 13. Health

"I am sure I will have the support of most of the medical community and of those who work in the health services, so I am counting on the cooperation of an immense community of professionals. Together, we will take medical assistance, including preventive medicine, as far as we can, with health centers and stations in the communities and revitalization of the existing establishments and organizations. I want to put forward the idea of a family medical service with systematic visits and house calls when necessary."

### 14. Housing

"The government of the union administers the financial system for housing. In the state, we will mobilize all the resources within our grasp, hoping the federal government will understand that it is much more efficient and economical to work with the states, municipios and communities. There must be some way of breaking away from monetary correction. I am thinking of mobilizing the immense labor force available in the penitentiary system to produce construction materials for the poor communities, providing housing and income for the inmates and their families."

### 15. Transportation

"Statistics show how burdensome the existing public urban and suburban transport system is. Many corrections are possible, even under the current circumstances. Basically, we need to establish a general coordinating agency to organize and regulate the transport system in greater Rio de Janeiro. Trains, buses, subway, boats--everything should be coordinated. Any city of any size in a civilized country has a coordinating agency for its public transport system."

### 16. Interior

"I have always supported local government. I am going to work hard with the municipal administrations. We need to decentralize industrial development and many other activities. Together, we will discuss the zoning problem. There has been a predatory subdivision of state land. The rural area has been abandoned, with most of the land exploited as it has been in Mato Grosso, when we are next to a giant consumer market. In this area I would be like a fish in water. I have had experience and have always enjoyed working on these problems. We will set up the bases for agriculture and livestock farming suitable to [local] circumstances; we are going to organize rural producers and workers--the former in cooperatives and the latter in agricultural communities, with 1/2 or 1/4 hectare assigned to them as their own property, on which they may grow vegetables, greens and fruit trees for their own use and may even keep a milk cow. Above all, [there will be] cartesian wells with clean water, schools and assistance. If we can promote a secure development plan in the interior at the grass roots, we will be bringing about a vast transformation which will then be self-perpetuating."

## 17. Tourism

"It would be difficult to find an area as well-endowed as Rio de Janeiro anywhere in the world: a sea coast with islands and exceptional beaches, in a tropical climate, a short distance from a green mountain region. There is already an infrastructure on which to base a great tourist development program in the region. I would like to mobilize this whole vast community in the sector to revitalize and carry out this objective, which we must develop together, particularly by promoting leisure and tourism internally, making it accessible to the medium- and low-income population."

## 18. Culture and Art

"We are the most important cultural center in the country. All activities pertaining to culture and the arts will be promoted through programs which we will draw up and develop in conjunction with the artistic and cultural community. We need to encourage the love and the habit of reading. Every means should be used to make books and magazines accessible to people. It is very well to refer to the petrochemical center, the steel center, the industrial center, etc., but we must develop another center--and this may be Rio de Janeiro's greatest mission: we are going to create a center for ideas and culture, radiating freedom and democracy around the country and, above all, questioning every impasse and all the fetters that have formerly shackled us to poverty, backwardness, dependency and underdevelopment."

Governor of All the People

Rio de Janeiro MANCHETE in Portuguese 4 Dec 82 pp 12-13

[Interview with Leonel Brizola, governor-elect of Rio de Janeiro, by Ateneia Feijo, in Rio on 28 November 1982]

[Text] Aged 60, with 3 children, 5 grandchildren, 15 years of exile, politically mature, Aquarian Leonel Brizola grew up with the charisma that God gave him. No image or "layout" produced by experts of other parties created any projection of a candidate with as much good will and optimism. "This is a step forward. Rio de Janeiro has the most lucid, well-informed people in Brazil, with the highest political awareness in the country. With my election, something is about to happen in the state--by peaceful, democratic and legitimate means, not by force." Last Sunday the governor-elect granted an exclusive interview with MANCHETE regarding his plans.

[Question] Will your administration be the first step toward socialism in Brazil?



[Answer] My government will represent a transition period in Brazilian life and will have favorable consequences for the ideas of democratic socialism, since it will be an efficient, respected, modern administration, conducted on behalf of humanity and consistent with the people's aspirations. We are workers, and our government is an affirmation of labor, a Brazilian path to socialism with freedom. Socialism will be built on the foundations of the free vote, a pluralistic society that excludes no one. What it will be, only experience will tell us. We are sure of the methods by which we mean to build it--and this does not mean simply nationalization.

[Question] What are these methods?

[Answer] Basically, wide participation by the worker, the entire productive and labor force, which is a source of great wealth, and not just economic wealth. To us, socialism and freedom are like two tracks on a railroad. A train cannot run on just one of them. Brazil will only be able to overcome the current impasses, which trouble our souls, with a democratic regime which is strongly socialist in nature. For this reason, sometimes we even speak of a Third Republic, established in a state of law, with profound social content; a prerequisite is a firmly established front regarding foreign capital and the internationalization of our economy. Clearly, all this means that the people come before anything else.

[Question] There are great expectations among the business class regarding your administration.

[Answer] I am sure we will have no problems discussing and planning a cooperative effort. We have met and have had a very constructive dialogue, which left me with an excellent impression. Perhaps in no other sector have I found such evident concern as the Brazilian businessman has shown regarding the lack of a state government to coordinate the efforts of all sectors and, particularly, to promote a common effort, uniting all areas behind certain issues that have come to be defined, irrespective of party differences.

[Question] On another occasion you said that Rio de Janeiro will be a paradise for small and medium businesses.

[Answer] Regarding small and medium businesses, I am sure it will be easy to build a joint program with the state administration. In our view, small and medium business is the great nucleus to provide employment and job opportunities. As for the large companies, the discussions may be more complex, but I have the same hopes for cooperation.

[Question] And the labor force?

[Answer] It is at the center of all our efforts. It is incredible that there are specific secretariats of industry and commerce and secretariats to support agricultural concerns, but there is no secretariat of labor.

Starting with the establishment of a labor secretariat which will value organizations and unions in all categories in the city and country, we will see that the working class is represented in all areas of decision, participating in the discussion and solution of all the problems.

[Question] Who will be the new mayor of Rio de Janeiro?

[Answer] Just as in the case of the formation of the secretariat, I only began to consider this problem after the election returns were in. On taking office I intend to exercise this prerogative of naming the mayor, the administrator of the capital city. I will consult widely, discussing the matter with all possible sectors, so I can settle on a name that meets expectations for an efficient, modern and dynamic administration. Even so, I want to say that I do not intend to shirk my direct responsibilities for the city. Although I am the governor, I intend to be very much the mayor of Rio. I will respect my collaborator, but I will always be shoulder to shoulder with him.

[Question] Governor Brizola, what is your opinion of Joao Figueiredo?

[Answer] Although our methods differ and we do not share the same views on building a democracy and developing the country, it is only fair to declare now that the presence of President Figueiredo has represented a guarantee of stability for such democratic areas as we have been enjoying. I admire his firmness, even though he is often difficult to understand. I have thought that history might have called for the presence of President Figueiredo in this transitional phase in Brasil's life, all the more because he avoided anything that might have impeded our democratic development. Under these circumstances, [history's] assessment of his administration could come to be very much in his favor.

[Question] What do you have to say to those who did not vote for you?

[Answer] I will be the governor of all, without discriminating against anyone, certainly not in terms of friend or adversary. I could sum up my entire program, that is, my term as governor of Rio de Janeiro, as that of a governor committed to the defense of the people's human rights, and these rights are not limited to civil rights; they include social and economic rights, and also the right to live under a stable democratic system, taking part in and debating all the decisions that affect their lives and interests. I was elected by [only] a part--albeit a significant part--of the population, and having been given this mandate to work for all the people, I feel I have the right to ask all of them for a hopeful attitude, even a vote of confidence, in the name of the best democratic practices and principles.

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## SAO PAULO GOVERNOR-ELECT MONTORO DISCUSSES PLANS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Nov 82 p 66

[Interview with Sao Paulo Governor-elect Franco Montoro; given 22 November in Sao Paulo; 22 November speech in Legislative Assembly]

[Text] The relations of the Franco Montoro administration with the federal government will be conducted on a level of respect and dignity. The opposition governors elected at the polls will not form an authoritarian front to replace the existing one and oppose the federal government. They are going to work together so that the necessary steps will be taken toward full democracy. In the Montoro government, there will not be any "retail deals, no deputy will be bought," and the government finance agencies will not operate to gain supporters. That is the thinking expressed by the governor-elect of Sao Paulo, Franco Montoro, in his first press interview held yesterday morning in the Legislative Assembly after his first speech.

For a half-hour, Franco Montoro replied to 21 questions covering political aspects: elections for president and mayors, accommodation in the Legislative Assembly, the formation of his cabinet and the relations of the state government with the federal government; and administrative aspects, such as the priorities of his government; Sao Paulo Petroleum, PAULIPETRO, and the practice of administrative decentralization.

Always very assured, Montoro did not refuse to answer any question, not even the one pertaining to his attitude at the forthcoming 31 March commemorations when he is going to stand on the reviewing stand at the side of the military commanders. But he preferred not to mention the names of those who will make up his cabinet, declaring that his government team is beginning to be formed with the first consultations and discussions.

Once again, Montoro promised to govern "without revanchism," and explaining how his decentralizing effort will be carried out he was loudly applauded when he said: "We will not make loans to the Lutfallas of Life; we are not going to finance enterprises of deputies who support or belong to the government. We are going to finance on a priority basis those activities carried out in the interior. Housing and agriculture will be the two big sectors that will be stimulated. But they will not be projects drawn up at the top in the capital to be executed in the interior."

Following is the full text of the governor-elect's press conference:

[Question] Senator Franco Montoro, can you already give us some names for your government team?

[Answer] Until now there has not been any commitment or any invitation extended to anyone. I reiterate the denial I made a little while ago to some reporters who asked that question. Now with the result of the elections, I will begin to hold discussions and consultations to form the government team. As I said in my first statement, it will be characterized by two basic criteria: first, the cabinet will be representative of all sectors of the population of Sao Paulo; and second, it will be composed of people of unquestionable competence in their respective area. It is now that I will begin to hold discussions to form that government.

[Question] Senator, your party comrade, Senator Jose Richa, who won the elections in the state of Parana, said last night that there will not be a front of elected PMDB governors but that there will be consultations among those governors and that there is even the prospect of scheduling a meeting to study the strategy of how you are going to relate to the federal government in Brasilia since you will be the first opposition governors. What is your position in that regard?

[Answer] It is exactly the same as that specified by Governor Richa in his interview yesterday. We are not in favor of a governors' front to oppose the federal government. We do not want another type of authoritarianism to replace the existing authoritarianism. We are members of a party and of an opposition that wants democracy in Brazil. We are going to work together so that the necessary steps will be taken to achieve full democracy.

[Question] It appears that the mayoralty is now the most attractive point of your government. Three names are being mentioned: Jorge Wilhein, Mario Covas and Federal Deputy Horacio Ortiz. Are these three the names on a list for selection of the future mayor of the capital.

[Answer] At this time, the information I can give everyone is that I have just had a meeting with the party political committee. It was my first meeting with the political committee that coordinated and directed the campaign. And at that meeting, we reaffirmed the position of the PMDB. The problem of the mayoralty of Sao Paulo is not an isolated one. It is the same as that of the mayoralties of all the state capitals. Today or tomorrow, Senator Mauro Benevides will reintroduce his amendment which already has the necessary signatures, returning to the capitals the right to choose their mayor by direct vote (ap-  
plause). I want to add that the Mauro Benevides amendment as originally drafted established that the elections for mayor would be held at the same time as those for governors. Since the fact that elections for governor have already been held makes that measure unfeasible, we have already prepared a sub-amendment already subscribed to by me and by Vice Governor Orestes Quercia, still in the capacity of senator, like myself, establishing that once the amendment for direct elections for the capital municipality and all the other municipalities considered national security areas is approved, the Electoral Court will set the date of the elections within a period not greater than 90 days after the promulgation of the amendment (applause).

[Question] During the political campaign, President Figueiredo asked the people of Sao Paulo to vote for Reynaldo de Barros to guarantee a good relationship between the state and the government. You received the preference of the people and succeeded in winning the election; how will the relations of your government be with the federal government?

[Answer] In a federative system, it is normal for the states to have governments that do not belong to the administration party. As I said in my statement, those relations will be conducted on a level of respect and dignity. The change that occurs, basically, is that the governor now is no longer a delegate of the central power appointed by it. He is a man elected by millions of citizens of his state (applause) who, in the capacity of representative of those people will make the necessary demands for those measures that are of interest to the people of Sao Paulo and Brazil.

[Question] Speaking now about relations at the state level: the opposition deputies here in Sao Paulo always complained that they were never consulted at the state executive level. Now, with the Brazilian Democratic Movement Party (PMDB), is that going to change? Will the Social Democratic Party (PDS), which will be in the opposition, have a channel to the PMDB?

[Answer] All representatives of the people have their platform in the Legislative Assembly and whenever there are problems of public interest it is obvious that the public interest will prevail. We are not going to attract support by procedures that the public of Sao Paulo condemns.

[Question] Do you believe that the recession will be more intensified in 1983 than in 1982? How will your government act in the face of that recession?

[Answer] I implicitly referred to that aspect in my statement and I will now be explicit. Inflation, the difficulties of an economic nature clearly show the need for a different course. If we were to continue with the present economic and social model adopted by the government we would only aggravate a situation that has become complicated and more difficult in recent years. We will preferentially apply the funds that Sao Paulo has available in financing and establishing measures that take care of the needs of the majority of the population: education, health, housing, mass transit--in short, in those activities that correspond to the needs of the majority of the population. Those activities, in turn, are the ones that generate the greatest number of jobs with the least investment. For that task, we do not need dollars; we do not need to resort to the international financial system and the multinationals (applause). We will seek to apply Sao Paulo's funds in those enterprises that take care of the needs of the most long-suffering majorities of the population and on those activities that generate jobs.

[Question] You speak about the reintroduction of the Benevides amendment, however, it was tabled when congress needed half plus one. Now with two-thirds, do you believe you are going to get its approval?

[Answer] The amendment was rejected as were others. My first amendment for direct elections for governor was rejected, the second was also; the third, presented by a representative of the government was a minor difference and

ended up being approved. I believe that the same process that led to the institution of direct elections for governors, could now more easily lead the national congress to decide on the reestablishment of direct elections for capital mayors and the other national security municipalities. There are two facts that it is necessary to mention: the first is that the elections are underway and everything indicates that the opposition will have a secure majority in the national congress. Will that majority be two-thirds? We do not know. Perhaps not. But there are large sectors of the PDS that are committed in that regard. The president of the republic himself publicly declared that Santos, for example, and other cities considered national security areas would have their direct elections assured before the elections. Due to circumstances that I do not know, the president was not able to fulfill that statement before the elections. Now he may do it. I have the impression that all the conditions exist for that amendment to be approved and I firmly believe that it will be approved. It will be the first negotiation to be made toward reestablishing democracy in Brazil.

[Question] Returning to the relationship with the federal government: It was suggested before the elections that the opposition elected governors get together and go to Brasilia to make direct demands on the president. Some argued that this is not the time. What is your position?

[Answer] I reiterate the answer I gave to the question that was asked me a few minutes ago. The senator and governor-elect of Parana, Jose Richa, speaking on a television program yesterday conveyed exactly the thinking of the other governors that have already been consulted by the national president of the party, Ulysses Guimaraes. We belong to a party and we are going to get together, not for a governors' policy to generate a sort of authoritarian power and confront the federal government. But united with the party and the congressmen we are going to move together in the direction of the desire manifested and expressed by the Brazilian people. To move in the direction of democratic liberalization, now demanding the direct election of the mayors of the capitals and other municipalities, working together for the direct election of the president of the republic. And working also for the convocation of a national Constituent Assembly.

[Question] The PMDB by itself will not make up the 43 deputies that guarantee an absolute majority. You will have to negotiate in the Legislative Assembly the bills of interest to the government. How do you plan to do that? What type of alliance do you plan to establish at the assembly level?

[Answer] In the first place, I am not certain, and nobody up to this moment can be certain of the result of these elections. On the contrary, the information we received a short time ago of the partial results that we have learned reveal that the PMDB should have an absolute majority in the Legislative Assembly of Sao Paulo (applause). But I do not discount the possibility of examining the second alternative. If there is not a majority, our thinking is negotiation; not retail negotiation. We will not make deals with deputies, no deputy will be bought (applause), and the State Bank and the government's financial agencies will not operate to attract support. Negotiations will be conducted with the opposition parties in the first place for a joint program that will include precisely those measures of public interest. If they are rejected, I will accept the decision of the assembly as a decision of the congress that was elected by the people of Sao Paulo.

[Question] What can the civil servants expect from the Montoro government?

[Answer] I reiterate what I said in the proposed government program. In the first place, it is necessary that the readjustment be made a basis at least strictly equal to currency devaluation, to inflation, because otherwise there will be--as there was in recent years--a successive cut in the salaries of the civil servants.

[Question] Governor Montoro, the state budget has already been approved. How do you plan to govern the state with that budget?

[Answer] Respect for the law compels me to govern with that budget. There is no other formula for administering the state. With the government team that I will form, I will seek to determine the flexibility permitted within that budget and, possibly, with the solution of new requests through bills sent to the Legislative Assembly, the measures that may be necessary to fulfill the objectives defined in our program, which are basically to take care of the needs of the neediest sectors of the population of Sao Paulo.

[Question] PAULIPETRO was studied by one of your task forces. What is the final proposal? Will PAULIPETRO be closed? Will that occur with all the agreements and projects already signed by the previous government?

[Answer] I always considered PAULIPETRO an excess. Sao Paulo, and all of the population already contributes heavily to maintain the Brazilian Petroleum Corporation (PETROBRAS), which has that objective. There are other priorities. To govern is to choose priorities. The search for oil will not be one of the priorities of the government of Sao Paulo. But it is obvious that there are commitments. There are government employees, there are technicians of the highest caliber. They will be utilized in other activities connected with exploration and prospecting and other sectors where, within the competence and duties of the state government, that capacity may be utilized. I want to add that it is not a matter of abolishing it as a juridical person because it does not exist juridically. PAULIPETRO does not have any juridical personality. It is a contract between the Sao Paulo Electric Company (CESP) and the Technological Research Institute (IPT) and utilizes the resources of those two agencies. Through those agencies, we will make the revision and reestablish that solution that is practically demanded by the scientific community and the public of Sao Paulo. But, obviously, that excrescence will not exist in our administration.

[Question] What were the other things discussed at the meeting of the PMDB political council this morning?

[Answer] That meeting which I had with the political council of the party was the first meeting I made it a point to have, and to denote because of its significance, with those who were responsible for directing that campaign and directing the party. I come now to the Legislative Assembly to give this interview as a tribute to the Legislative Assembly, which represents the people of Sao Paulo (applause). A summary of the topics covered at that meeting will be made by the acting president of the party, (today senator), Fernando Henrique Cardoso. But I can say in connection with the subject raised by reporter



Ricardo Kotcho that what was discussed was what I have just reported: the PMDB agrees, proposes, to facilitate and encourage the union of all the opposition forces and of all the democratic forces because democratic liberalization has only begun at this time. There is a great task to be executed around objective programs and not through lesser objectives or interests.

[Question] In your last speech, you promised a government without hatred or revanchism. How will your administration be?

[Answer] I made that statement in the concluding speech, I made it in the campaign and made it in my statements in the Federal Senate. It is the official position of my party, the Brazilian Democratic Movement Party.

[Question] I would like to know how the participation of the other parties in your government is going to be?

[Answer] The question is not only about the relationship, the question relates to the detail of participation in the government. No decision has been taken in that regard. As I said, we are now going to examine the problem of the cabinet and of the whole government team. It is certain that through its blocs in the assembly and in the Federal Chamber especially, the PMDB will be heard and to the degree possible, inasmuch as it represents a sector of civil society through the direct vote of the people; it will also make up that government team. As for the other parties, our thinking is to invite them to joint action in connection with the established program. But all of those measures will only be taken up objectively and thoughtfully after the election results are in. Up to this moment, we are at the beginning of counting and we do not know --as in fact was evidenced by the questions asked--what is going to be the composition of the Legislative Assembly and of the Federal Chamber. I will respect the will of the people expressed at the polls.

[Question] Do you plan to participate in the commemorations of the revolution on 31 March, standing on the same platform as the military authorities whom you sharply criticized, such as the army commander.

[Answer] The rules of coexistence with the other powers and sectors of civil society established by law will be respected. This will be a subject to be examined with the palace protocol at the opportune time.

[Question] How long will the formation of the government staff be discussed?

[Answer] I will seek to act with the necessary prudence and also with the necessary speed. We are examining the transition problem, obviously through aides, seeking to inform ourselves of what represents the legacy we are going to receive. But the invitations and the formation of the cabinet will be made in the future, surely not before the election results, which are still being processed, are completed. Our interest will be to establish it as soon as possible but we are not going to sacrifice the quality of the decision by haste.



[Question] Santo Andre is the third largest electoral constituency. It has a PMDB mayor and the PMDB was defeated in that region; how do you explain that?

[Answer] Those are aspects of democracy. I am awaiting the conclusion of counting in order afterwards to derive the lessons that that result may bring. In the meantime, I want to reiterate, my respect and my solidarity to the leadership, whether victorious or defeated.

[Question] Senator, the government program revealed by the PMDB during the campaign advocates the decentralization of the economy. Assuming that, how do you plan to implement that decentralization?

[Answer] The question basically is the following: I spoke about decentralization of the economy; how will that be processed in the state of Sao Paulo? There are two basic instruments; one is the undertaking of projects and the other is through financing. Both instruments will be utilized for the decentralization. For example, instead of carrying out a large, costly project in the capital or big paved roads in the capital, we are going to take care of the local roads in the interior of Sao Paulo. I can say that 10 percent of those local roads, which represent the first priority, could have been built with the funds that were spent on PAULIPETRO alone. Those funds exist and we are going to apply them preferentially on decentralizing activities, on activities executed in the interior. School buildings: we are not going to call for bids here for the construction of the school buildings in the cities of the interior. Discussion will be left up to the city so that the bidding will be made in the interior through local companies, giving the local workers the opportunity for employment. They are forms of decentralization. The school lunch: we will not make purchases in the capital and send them to the interior. The funds will be sent to the city governments so that, through consultations or the participation of aprent-teachers associations and the city government, the school lunch program will purchase the food in the interior itself, generating work, generating jobs in all the cities of the interior. In connection with housing, our thinking--and here I will mention the second aspect, which is that of support through financing--we are not going to make financing in the capital to the friends of the government. During the campaign I said, and I see no reason not to repeat it here, that we are not going to make loans to the Lutfallas of life (applause); we are not going to finance enterprises of deputies who support the government or who belong to the government. We are going to finance on a priority basis those activities carried out in the interior. Housing and agriculture are large sectors that will be stimulated. Small and medium properties, small and medium business in the interior will receive priority financing in each of the 572 municipalities of Sao Paulo. Our desire is that they have municipal housing plans to be financed supported by the state through financing and in accordance with local needs. They will not be projects drafted at the top to be executed in the interior. That loan may be to a citizen who lives in a rented house and who wants to buy it; to one who has the land and needs to buy material. Those problems are local and each city knows its problem. It will be the function of the state to finance them. The same applies to agriculture. We are arranging for a survey of all of the public land in the interior of Sao Paulo, of the state and the municipalities so that they may be sold in lots of 10 "alqueires" [1 alqueire equals 242 ares] more or less sold in a subsidized way to those who want to produce food, especially in the interior of our state, and to provide technical assistance through

the farm services or agricultural services so that a development center can be established in each of the municipalities. In short, to replace what I have called an image of Brazil as a giant with feet of clay with a healthy organism with strong foundations. Brazil will never be strong if its municipalities are weak (applause).

[Question] Governor, the problem of sanitation greatly concerns the city governments in the interior. Do you plan to return the autonomy to take care of sanitation to the city governments, or to integrate them into a system similar to the Sao Paulo Sanitation Service (SABESP)?

[Answer] Our thinking is to return to the municipalities that desire it the autonomy of their water and sewerage services. SABESP will have its normal function, basically, and will have that of technical assistance, mainly for the hydrographic basins. The employees, the technicians, many of them of well-known competence and dedication, will have nothing to fear from that policy of decentralization. Our thinking is not to replace a centralized system by an anarchic system. We want to decentralize in an orderly fashion. There will be centralized functions and decentralized functions. The principle is as follows: everything that can be done by the municipality will not be done by the state.

[Question] Governor, how do you view the proposal of direct elections for president with the possibility of the reelection of President Figueiredo?

[Answer] The report is that the president of the republic would send a proposal to the national congress for the direct election of the president of the republic guaranteeing the right of the current president to contend. What is the thinking of the governors of the PMDB or of PMDB sectors? Since this is a federal matter, it is the executive committee, the national directorate of the party--which certainly will consult all sectors--that must decide on that matter. We are in favor of the direct election of the president of the republic, we spoke specifically in that regard. As for the reelection of the president, there is nothing antidemocratic about that as a principle. But concretely the problem will be to examine the current question; that is, a bill with, in some way, a retroactive effect because of being applied to the current president. I want to say that from the viewpoint of the election results, we would not have any difficulty. We would win. The opposition, the PMDB, the opposition forces, if they reach agreement, will elect the future president of Brazil without any trouble.

Concluding the interview, the governor-elect thanked his supporters and justified the collective nature of his first interview after the elections:

[Montoro] I wish to thank all the reporters for their collaboration; I express thanks for the participation of the present congressmen, many of them already elected by confirmed votes, for this interview. I reiterate that I made it a point to give this first collective interview to all the newspapers for a democratic exposition. I answered all questions that were asked of me and on this occasion, I pay my tribute to the Legislative Assembly of Sao Paulo, which by direct vote represents the people of our land. Thank you very much all of you for your attention.

## "It Is the Victory of Democracy"

Following is the full text of Senator Franco Montoro's speech yesterday in the Legislative Assembly:

The victory does not belong to me. It represents the desire for change of the people of Sao Paulo. It is the result of the discernment of the workers, of the housewives, of the youth, of the residents of the outlying areas and of the most long-suffering municipalities of the interior, of all the citizens who hold the hope for a more just and more human Brazil.

The victory of the people is also the victory of democracy and of my party, the PMDB. From its rank-and-file in the 572 municipalities of the state and in the 54 districts of the capital emerged the campaign that would be carried out vigorously, marked by the clearness of its democratic message, by the broad discussion of the proposed government program and the generous dedication of the members.

With the support of the PMDB, I want to be the governor of all who live and work in this state. My government is going to be the expression of the civil society of Sao Paulo and the instrument of the building of democracy in Brazil.

We will govern without hatred, without retreat, without revanchism. Our only commitment is to change, that will replace the abuse of power with its democratic exercise.

We will govern aware that possible feelings of victory or defeat should not separate the Brazilians who are sincerely dedicated to the building of a democratic, participatory and just order.

The course has been laid down in the proposed government program which I presented as a candidate and which I now reaffirm with the express support of the population.

The decentralization of power and of the economy, and the participation of all sectors of society in decisions will be the characteristics of my government.

It will be necessary to recover the dignity of state public power debased by authoritarian methods of government by waste and by corruption. We will have to carry out the political, economic and moral reconstruction of Sao Paulo.

Our administration will be austere. The government priorities will be different. We are going to promote the creation of jobs and meet the demands of the most neglected social sectors of the population. That revision of priorities joined with the morality of the administration machine and the efficient use of public resources is the basic condition to adjust the action of the government of the state to the difficult economic situation which the country is traversing.

With the mandate legally conferred by the people of our state, we shall conduct our relations with the federal government on the basis of dignity, public spirit and respect for reciprocal legal obligations. I wish to point out that a

strategy of national development that is economically feasible and socially just cannot be conceived without safeguarding the vitality of the economy of Sao Paulo and the welfare of its population.

I could not conclude these words without paying tribute to the Electoral Court, with the uprightness with which it has conducted the election, and to the communications media which, despite legal restrictions, contributed to the necessary confrontation of ideas and proposals.

The people have chosen. With the elections of 15 November the process of change has begun. The will of the people of Sao Paulo will not be betrayed.

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## INSIGHTS INTO FIGUEIREDO TEMPERAMENT DISCUSSED

Sao Paulo VEJA in Portuguese 17 Nov 82 pp 44-45

[Article by Elio Gaspari]

[Text] Few photographs illustrate so well the somber period of AI-5 as one that shows President Emilio Medici during a visit to Amazonia in June 1973 with a machinegun on one side, and on the other his chief of the Military Household, General Joao Baptista Figueiredo. And few photographs illustrate so well the election campaign that led the country back to the alternation of power in the state governorships as the one that shows the picture of President Joao Figueiredo in Serra Pelada in October 1982 on the shoulders of the prospector "Furao." The political process and personal metamorphosis that led him from one photograph to the other constitutes one of the most complex movements in the recent history of the country. So complex that many people and a good part of the opposition, because they do not understand it, believe that it is all nothing but a trick. After all, one could paper the Great Wall of China with just the interviews of the president of the Brazilian Democratic Movement Party (PMDB), Deputy Ulysses Guimaraes, terming the reform that filed away AI-5 as a "sham," amnesty as "inadequate," and the liberalization as a "farce."

It was not only the deputy who fell into that error, with variations in tone and occasion. It is almost certain that the overwhelming majority of the electorate who will carry a batch of opposition governors to power have gone through the same skepticism, more from perplexity than from any spiteful nature. After all, it was essential that some day the 1973 general might dispense with the machinegun, get rid of the middle name of Baptista, change his glasses and go fighting for votes in a gold field. And even while he was doing that, an explosion such as that of the Riocentro bomb was enough to revive the fears of everyone.

The historical phenomenon of liberalization become easily comprehensible thanks to what happened between May and June in Argentina with the Malvinas War. Even before Figueiredo, General Ernesto Geisel on being inaugurated knew that the country should be led back to the constitutional framework. "Not because the opposition had asked for it," Geisel repeated several times but because an officer such as he could foresee that the continuance of the military in the command of a closed regime would lead to their own exhaustion. In a period of 15 years, a military academy, like any other institution of higher learning, graduates brilliant and mediocre professionals. Therefore, in turning over the command

of the country to a body of men coming out of an institution of that type, inevitably a day would come when there would be installed a professional such as Argentine General Leopoldo Galtieri who led his country to defeat, the regime to discredit and the military to humiliation.

However, Figueiredo added to the liberalization process begun by Geisel his own striking personal style. In the caldron in which this style boils is the clue to supposing that he came to this Monday's elections not only because he believed it necessary but also because they doubted that he would do so.

The victorious course of the liberalization process owes much to Figueiredo's temperament, capable of producing explosive statements such as "I will take and break anyone who goes against the liberalization process," or "They are going to get an indigestion of democracy." Such an appearance of assurance in fact cloaks a military man cast into the political process who keenly feels every day the lack of support and comprehension of his adversaries. In public, Figueiredo may seem to be a typhoon. Within a more restricted circle, however, he seems to be searching for the "million friends" that Roberto Carlos would like to have, in his old song. During the bitter period of the presidential succession when the opposition presented him as inept, he did not hide his pain but he sported the title of the biggest collector of jokes about himself. Not that he liked the jokes, just as he does not like nine out of 10 "charges," in which they systematically present him as an uncultured individual, but because he hates to brood, just as he detests pretending. It is doubtful that any Brazilian president has ever understood economics but Figueiredo is certainly the first to give the impression that he does not understand. "One of the woes of my life is that monetary base that Mario invented," he said once in the presence of the then Planning Minister Mario Henrique Simonsen.

If his cabinet could be made up only by friends, he would be a much happier man. The presidency taught him that he would not only end up promoting to the post of minister people whom at certain times he had seen as enemies (Professor Delfim Netto, who in 1978 helped to wreck his friend and candidate for the governorship of Sao Paulo, Laudo Natel), but he would lose the collaboration of friends from whom he never believed it possible he could become separated (such as General Golbery do Couto e Silva, whose departure in August 1981 he viewed as one of the causes of his heart attack in September.)

Seeing the inconstancy of friendships, the ease with which promises are broken, and discovering that a president of the republic does not have a physical personality, Figueiredo seeks release aboard a motorcycle, anonymous under his helmet, along the street lanes of Brasília, or exploding in a fit of anger when he feels unjustly treated, which he is many times. For the escapes of the masked motorcyclist, his security men have learned to drive other motorcycles. For the moments of apoplexy, another remedy has been created. If an aide needs a hard-to-get measure in March, he deals with the president about the matter for the first time in January. He is rejected and returns in February, when in a still tough talk he hears that he will not be heeded. Finally in March, with some work, he resolves the matter.

Nevertheless, neither Figueiredo nor any other president has ever been as obvious as he might seem. Juscelino Kubitschek eternally remembered for his smile, was capable of revenge and severe attitudes that today hardly fit in with his pedestal of tolerance. Castello Branco, with his expressionless appearance was, above all, vacillating at decisive moments. Geisel, with his imperial aspect, perhaps has been the president who most judiciously measured his strength every morning. Precisely because he doubted that he had the strength of an emperor, he waited until October 1977 to dismiss his army minister, General Sylvio Frota, who was one step away from the moment of upsetting him. Thus Figueiredo's propensity for fits of anger, for comments capable of approaching vulgarity or simplism, as well as the idea that he is capable of saying what comes to his head, do not do justice either to him or to the mind of whoever believes that.

The Figueiredo of myth collapses when it is known that at the beginning of the formation of his cabinet, he actually began negotiating to transfer General Golbery do Couto e Silva from the Civilian Household to the Planning Secretariat, an unquestionably lower position in terms of firepower. The Figueiredo who is led first by one minister and then another collapses when it is known that Education Minister Rubem Ludwig was raised to the position of chief of the Military Household without anyone, not even the cream of the participants at the 9 o'clock meetings, knowing that that move had been ready for several weeks.

It is enough to meet him once to know that when he is nervous he presses his fingers together; when he is impatient, he twiddles his thumbs. When he smoked, he might light two cigarettes. By all superficial displays, he is an example of a person who, were one to meet him at a luncheon, one would remember for the rest of his life. However, if that were so, the general in the photograph of 1973 would never get on the shoulders of the prospector Furao. The paradox inherent in Figueiredo resulted in liberalization precisely because the general of the gun-mounted plane understood--and never said it, because an idea of that type even if it comes to mind must be left in the shadows--that it is better to visit Amazonia or any part of the country in a bold election campaign than to be behind a machinegun. General Leopoldo Galtieri seemed to be very much like Figueiredo by the obvious similarities but precisely because of that basic difference, he led his country into war.

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## FIGUEIREDO SEES NO PROBLEM IN DIALOG WITH OPPOSITION GOVERNORS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Nov 82 p 13

[Article by Carlos Chagas]

[Text] President Joao Figueiredo told his aides in Planalto Palace yesterday that he saw no problem in receiving, talking with and reaching agreement administratively with the probable governors of the opposition already elected or to be elected throughout the country. He will not have to be handing out smiles to the right or the left, just as he too does not expect them. Part of the routine, however, will be audiences, talks and objective analyses on specific topics whenever necessary in Brasilia when they seek him out or are invited, or in the states when he is traveling.

The chief executive said he would prefer, of course, a total victory for the Social Democratic Party (PDS) but since the beginning of the campaign, it became clear that that would be impossible. The victory of some candidates for governor from the Brazilian Democratic Movement Party (PMDB) had been foreseen. It just could not be admitted publicly because it would have weakened his party and hurt the election of its candidates to congress, the assemblies and mayors' offices. From a certain point of view, Figueiredo stressed, it will even be advantageous to divide the burden of public administration with some governors of the opposition within the limits of the specific responsibility, to see how they behave in practice in the face of difficulties common to all, especially the lack of funds.

During the two meetings held with the chiefs of the Civilian Household, the Military Household and the National Intelligence Service (SNI), with the minister for land affairs, and his private secretary, in the morning and in the afternoon, no other subject captured the president's attention more than the election count. The situation of each state, of the undecided, was viewed and reviewed in the light of numbers and projections made by Heitor Ferreira and General Octavio Medeiros, with comments by General Rubem Ludwig, General Danilo Venturini and Minister Leitao de Abreu.

The government is twisting and will twist until the last moment of final results. More than anything, it would like confirmation of its pre-election forecasts of winning 16 governorships, 18 senate seats and a minimum of 220



federal deputy seats and a majority in the legislative assemblies where it has elected a governor. But if there is a reduction in its expectations, as there certainly will be, that will not be a cause for the temperature to rise or to expect the unusual, much less childish reactions such as "they will see, they will not manage to govern; they won't even get water." The treatment of those elected from the opposition will be professional, marked by respect as long as the reciprocal is true, and never conducted against the national interests.

Thus, the situation in Planalto Palace is one of perfect normalcy in the face of the rise of the PMDB and some state governments; or even of the Democratic Workers Party (PDT) with Leonel Brizola, if he is victorious. Nobody says it and it is not necessary to do so, but it seems obvious that something more than professional treatment will be reserved for the Social Democratic Party (PDS) governors. Before them, the president will not limit himself to listening and speaking with deliberation, and he will not avoid political subjects, the discussion of future institutional plans and even, at the proper time, addressing the succession problem; as well as, needless to mention, through the ministries, a little more than the cold talk of numbers and scanty funds.

Contrary to what might appear, in the palace corridors one also does not hear expressions of euphoria with regard to states that have not yet been decided. The government hopes to win in Minas Gerais and in Pernambuco obviously, but none of the presidential aides indulge themselves in proclaiming "We have already won." At the most, they acknowledge that "We are winning; we are going to wait for the final results."

It is not by chance that this climate of normalcy with regard to the future and of circumspection before the president has been taking place in the headquarters of the chief executive. There appears to be underway a strategy prepared so that the government, by being at ease, may set its related sectors at ease as much as possible, including the military. To make it clear that that to lose and to win (to win more than to lose incidentally) is proper to liberalization processes because the larger and ultimate controls remain where they are. The first results did not leave any doubt that the electoral college will belong to the PDS, thus guaranteeing the succession to President Figueiredo by the indirect route and that the official candidate that emerges will be the one named by a consensus, under his coordination.

The agreeable while oppositionist tone expressed by Senators José Richa and Franco Montoro in interviews given as governors-elect of Parana and Sao Paulo did not go unnoticed yesterday in Planalto Palace. It is unlikely that any other PMDB governor will be in a position to or wish to act differently. One thing was the language of the campaigns, another will be that of the elected candidate. It is not all flowers, however. There is one exception; not for his statements at the present time, which are moderate, but for what he said at the beginning of the year and which even generated a court action against him, even before he was launched as a candidate. Gerson Camata, already elected governor of Espirito Santo, will not fail to be received by the president, as such, but he cannot expect even a "good day." The virulence of the verbal attacks which he made against General Figueiredo at a rally in the city in the interior may be suppressed but not forgotten by the latter.

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## MINAS GERAIS GOVERNOR-ELECT ADVOCATES CONSTITUTIONAL REFORM

Rio de Janeiro O GLOBO in Portuguese 21 Nov 82 p 11

[Interview with Tancredo Neves, governor-elect of Minas Gerais, in Belo Horizonte, 20 November 1982]

[Text] Belo Horizonte (O GLOBO)--In an interview yesterday in the Legislative Assembly, Tancredo Neves, PMDB [Party of the Brazilian Democratic Movement] gubernatorial candidate, advocated constitutional reform as the country's "political priority." He recommended convocation of a constitutional convention, emphasizing, among other points, reestablishment of direct elections at all levels, a strengthened federation and restoration of congressional prerogatives.

Neves recalled that his was the "first voice" to be raised against the formation of an opposition front as a form of pressure, a measure which he called "divisive," and advocated political dialogue to overcome the nation's current problems. He also said he supported the parliamentarist system of government.

Following is the text of the interview with Tancredo.

[Question] What will be the primary focus of the political and institutional dialogue between the government of Minas Gerais and the federal government after the elections?

[Answer] The problem of institutional reform is much more a problem of congress than of the executive. Obviously, as the nation's political leader, the president will have to lead the process. It was not just today that I began to fight for institutional reform in Brazil, because this is the only way we can give legitimacy to power. For 18 years we have had a legal government in Brazil, but we have not had a legitimate government. These elections have the unusual merit of creating the conditions to legitimize the power. This being the case, we must set our sights on a new constitution, and the work of synthesis, a dialogue. I think that at least three basic points must be pursued in drafting a new constitution. First, restoration of the federation, through tax reform, for greater justice, more equitable distribution of

the nation's tax revenues. Second, we must give the congress back its basic prerogatives, which are denied it even today. The third point, which I consider extremely important, is the unification of our budget. Congress plays a platonic part in drafting the tax budget, but it is not even heard or consulted about the monetary budget. We should put the two under the strict control of congress; in other words, combine them in a single budget and give congress greater power not only to approve this budget but also to monitor its execution.

[Question] There has been considerable talk about an opposition front to increase the power to make demands on the government. How do you view this issue?

[Answer] As soon as it was thought up, as soon as the matter came up for discussion, I was the first to raise my voice, very harshly, against this initiative. I think the front is divisive; it is an instrument of pressure, and like all such instruments, it carries an implied threat. This is a time for understanding, tolerance and conciliation.

[Question] Do you believe that, given the election results in the major states, there could be a reform in the party system?

[Answer] It seems to me that to talk about party reform without first thinking about institutional reform is to fall into the same error that we have been committing up to now. Parties are institutions which should be regulated by a constitution. Logically, the constitution is the basic law, the primary law. We should give the country a new constitution first, and then think about designing and establishing a new party system for the country.

[Question] Have you taken any position yet on the presidential succession?

[Answer] The country has just been through an election that profoundly shook the foundations and structures of the nation. Now those who are responsible for the nation's fate and the elected governors must be given time to at least absorb the problems they will have to face. I think that to bring up the problem of succession immediately would be a disservice to the democratic cause. It would not do anything to strengthen the opposition parties, and we would end by creating an even more sensitive and difficult situation to add to our already serious and sensitive economic and financial problems. I think the problem of succession ought to be set aside for as long as possible so the nation may not only recover from its economic and financial jolts but, above all, so that it can establish more clear and responsible guidelines for handling the nation's political problem.

[Question] You referred to a crisis in the presidential system in Brazil. Would you be thinking in terms of a new parliamentarism for Brazil?

[Answer] Brazil has been debating presidential versus parliamentary systems for almost a century, and it will only reach a solution when congress is called to revise the constitution, to convene a National Constituent Assembly. It is a matter of a supreme decision of the nation, and my personal position

in favor of parliamentarism is notorious throughout the country at this point.

[Question] How do you view the movement for direct election of the president of the republic?

[Answer] Direct election of the president of the republic is also a basic plank in the PMDB platform. Not only out of loyalty to my party, but out of personal conviction, I am truly in favor of direct election of the president of the republic.

But this will not depend on the PMDB. It will take a constitutional reform to achieve this goal. If we really had a majority in the future congress to establish a new system to select the president of the republic, the PMDB would vote overwhelmingly for direct elections.

[Question] Do you think you will have problems with the federal government during your term as governor?

[Answer] I do not foresee difficulties in this regard, which is the favorite subject of many political pundits. In the elections in the United States, the Democratic Party won over 60 percent of the governorships, and the President of the United States is Republican. In Minas Gerais, and in Brazil, traditionally members of a different party have governed the states with the administrative support of the president of the republic. You cannot penalize a people or a state because they have elected public figure as governor who differs politically with the president of the republic or comes from a different party. In my particular case, I feel I am very free to act, because although I am an opponent of the president of the republic, I have always shown him the greatest respect. In this campaign, for instance, there was not a single word against the president in the PMDB platform in Minas. Throughout the campaign he was treated with the greatest respect, the highest regard. For two reasons: first, because he is the president of the republic, the chief of state, and thus he symbolizes all the great virtues of our people. Second, because as president of the republic, he is the supreme commander of our Armed Forces, for which reason he deserves the greatest esteem and respect.

During our work in the election campaign, in the seven times the president was in Minas our concern was to create a psychological climate among our colleagues so the president would not see any manifestation of disrespect from our people. And this was followed to the letter. Every time the president was in Minas, he was shown all the honors befitting the traditional hospitality of the people of Minas. It is odd that the cities which the president visited were those in which the PMDB got the biggest vote: Uberaba, Uberlandia, Varginha, Governador Valadares, Juiz da Fora and Belo Horizonte.

## UNEMPLOYMENT DECLINES IN FOUR METROPOLITAN AREAS IN OCTOBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Nov 82 p 40

[Text] The unemployment rate overall continued to decline in October in Rio de Janeiro, Sao Paulo, Porto Alegre, Recife and Salvador, rising slightly only in Belo Horizonte, the IBGE Foundation [Brazilian Institute of Geography and Statistics] reported yesterday, comparing last month's figures with September unemployment.

In the country's six metropolitan regions, the average rate of unemployment in October was 5.15 percent, lower than the 5.47 percent recorded in September, and continuing the same decline that have been observed since July, when the percentage of unemployed in the cative labor force was 5.89 percent.

In October in Rio de Janiero the unemployment rate was 5.02 percent, as against 5.06 percent in September; in Sao Paulo, the September figure of 5.57 of the labor force declined to 4.90 percent last month. In Porto Alegre the rate dropped from 5.0 percent to 4.64 percent; in Recife, it declined from 6.82 percent to 6.36 percent and in Salvador the unemployment rate declined from 5.69 percent to 5.38 percent. The unemployment rate rose only in Belo Horizonte, from 5.76 percent in September to 6.20 percent in October.

Among people who have already worked (excluding those who are seeking employment for the first time), unemployment in Rio de Janeiro reached 4.35 percent in October, as against 4.45 percent in September; in Sao Paulo the rate fell from 5.04 percent in September to 4.53 percent in October. The same declining trend was observed in Porto Alegre (from 4.53 percent to 4.30 percent), Recife (from 5.69 percent to 5.41 percent) and in Salvador (from 4.78 percent to 4.67 percent). In Belo Horizonte, however, unemployment among those who had previously held jobs increased from 5.07 percent in September to 5.41 percent in October.

Average Unemployment Rates in 1982

People Seeking Employment

<u>Month</u>	<u>Previously Employed</u>	<u>Never Employed</u>	<u>Total</u>
January	7.88	1.30	9.18
February	6.94	1.18	8.12
March	7.04	1.15	8.19
April	1.93	0.76	6.69
May	5.49	0.69	6.18
June	5.10	0.71	5.81
July	5.16	0.73	5.89
August	5.14	0.66	5.80
September	4.85	0.62	5.47
October	4.60	0.55	5.15

Metropolitan Areas: Rio de Janeiro, Sao Paulo, Porto Alegre, Belo Horizonte

Source: IBGE Foundation

6362

CSO: 3342/40

## PLANALTO PALACE DENIES RUMORED CABINET CHANGES

Brasilia CORREIO BRAZILIENSE in Portuguese 26 Nov 82 p 3

[Text] The Planalto Palace yesterday released an official note denying rumors that a ministerial reform is in progress. Sources in the presidency call "simply ridiculous" the speculation that Gen Octavio Medeiros, chief of the SNI [National Intelligence Service] will replace Cesar Cals as minister of mines and energy. Other changes hinted at in the press--Senator Passarinho to the Labor Ministry and Carlos Langoni to the Finance Ministry--were also denied.

"To remove General Medeiros from the Planalto Palace and place him in the Ministry of Mines and Energy, which has been very well handled by Cesar Cals, would be committing a double error. And they are further mistaken when they announce 'a profound ministerial reform and high-level replacements'."

These explanations by highly regarded sources in the Presidency of the Republic were accompanied by a sentence indicating deep irritation with the news coverage of the matter. "The press enjoys playing with fire."

Despite the very strong denial of any ministerial reform, Planalto Palace informants did not rule out the possibility of ministerial changes, although they cautioned that President Joao Figueiredo is not considering it at this time. "Any minister, president of a public company or simple advisor could submit his resignation, just as he could be asked for his resignation, because everything depends on the inner forum or, in the last analysis, on the will of the president."

"One thing is certain," the source reiterated. "The speculations about replacements are absolutely untrue, but the correct term is 'ridiculous,' and the president is not thinking about 'radical' or 'partial' ministerial reform. On the contrary, the president has demonstrated his satisfaction with the performance of his ministers and has made no secret of it."

Although he was not yet aware of this official denial, Vice President Aureliano Chaves made almost identical statements in a meeting with politicians and newsmen, excepting only that they were offered as a personal opinion, the result of purely personal observations.

## Serious Report

Another source in the Planalto Palace simply called it "serious" that a journalist of the caliber of Carlos Castello Branco would write a column containing information so "inaccurate and disturbing." Fortunately, he emphasized, "the newsman and the JORNAL DO BRASIL do not usually print unfounded speculation."

Yesterday, even before the JB [JORNAL DO BRASIL] Agency had sent a notice to all its subscribers advising newspapers which carry the Castello column not to publish the article about the replacement of Cesar Cals by Medeiros, Murillo Macedo by Jarbas Passarinho and Galveas by Carlos Langoni, the Planalto Palace and several ministries had already prepared a counter-attack with completely different reports and positions.

Since many official agencies have contracts with the JB Agency and hence were aware of the report even before the subscribing newspapers published it, Carlos Castello Branco's supposed "scoop" fizzled. The columnist himself retreated because he did not feel the source was absolutely trustworthy and reliable.

Because of this counteroffensive by the Presidency of the Republic, Minister Cesar Cals, who normally enters and leaves his meetings with President Figueiredo by private elevator, was taken by a Press Secretariat advisor for a direct meeting with the press. He appeared completely at ease and even talked about the plans which he had just presented and which had been approved by Figueiredo for 1983.

Yesterday's denials from official palace sources were too firm to be doubted. They denied the reported replacements, guaranteed that Octavio Medeiros would remain in the SNI and Cesar Cals in the Ministry of Mines and Energy, and denied any ministerial reform, but they said they could not guarantee that a minister might not eventually be replaced, as has happened before.

## Irritation

However, making the source of the current denials very clear, they added: "Once, when there was speculation about some ministerial reform which did not occur, President Figueiredo made the following comment: 'They (the journalists) talk about reform or replacements, but they don't say when, and if, by chance, some months later, for any reason whatever, even because of illness or for personal reasons, a minister wants to resign and I cannot dissuade him, they say [we] were lying when [we] denied the earlier news report'."

According to the same source, the president of the republic is still quite annoyed with the press because he feels that part of the news is always slanted against the government. Another persistent comment heard in the Planalto Palace is that the speculation came precisely on the eve of President Ronald Reagan's visit to Brazil.

6362

CSO: 3342/47



## EXPORT REVENUE LOSS FOR JANUARY-SEPTEMBER TOTALS \$1.29 BILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Nov 82 p 33

[Text] Brasilia--The drop in world prices and the shrinkage of some markets for six of the main unprocessed agricultural-livestock products and their processed derivatives (soybean, coffee, sugar, cocoa, meats and oranges) caused Brazil to suffer a loss of \$1.287 billion in its foreign sales from January to September of this year compared to the same period last year. According to figures of the Foreign Trade Department of the Bank of Brazil (CACEX) revealed by the Finance Ministry, the total loss for the period was \$1.898 billion, and from January to October it increased to \$2.408 billion.

The exports of agricultural-livestock products (19 in all) yielded \$6.2 billion for the country from January to September of last year compared to only \$4.913 billion for the same 9 months this year, representing a drop in value of 20.8 percent. Foreign marketing of those products represented 32.5 percent of the total of \$15.104 billion exported during that period. During the same 9 months of last year, the six product groups represented 36.4 percent of a total of \$17.002 billion exported. Of the overall loss of revenue suffered by Brazil between January and September (\$1.898 billion), 67.8 percent (\$1.287 billion) pertained to the main agricultural-livestock products.

#### The Reductions

According to CACEX's figures, the exports of basic products (minerals, coffee beans, soy meal, tobacco leaves, frozen meat, cocoa beans, demerara sugar, soybean, shrimp, among others) suffered a drop of 8.8 percent in the first 9 months of this year compared to the same period in 1981 and an average reduction of prices per ton of 9.1 percent. From January to September, the country sold \$6.219 billion worth of primary products compared to \$6.817 billion in the same 9 months last year.

The average drop of world prices for the processed products sold by Brazil was 20.8 percent from January to September of this year. The quantity of goods sold was greater but the foreign exchange gained was 13.3 percent less than that obtained from January to September of last year. With the exports of vehicles, boilers, machines, equipment, mechanical instruments, steel products, orange juice, footwear, processed coffee, processed beef, ferroalloys, hides and leather, pig iron, crystal sugar, lumber among others, Brazil obtained revenues of \$8.692 billion from January to September of this year compared to \$10.022 billion for the same period last year.

Of the 19 agricultural-livestock products, the greatest average drop in prices occurred with the exports of refined cocoa paste, 57.3 percent, followed coffee beans and processed coffee and orange juice were the only ones of the 19 products that showed an average increase in price, of 5.9, 1.8 and 9.6 percent.

In addition to the drop in prices of export products, Brazil lost important markets such as Nigeria, Argentina, Mexico, Chile, Poland, Paraguay, Uruguay and Bolivia. From January to August, Brazilian exports to those countries dropped 51 percent. In the first 8 months of last year, Brazil sold \$3.065 billion to those countries. In the same period this year, it succeeded in exporting only \$1.503 billion.

(1) EXPORTAÇÕES JAN/SET - 1982/81				
	(2) Valor - US\$ Milhões		(3) %	(4) Média Preço (%)
	1982	1981		
(5) Total Geral	15.104	17.002	- 11,2	- 13,4
(6) Básicos	6.219	6.817	- 8,8	- 9,1
(7) Industrializados	8.692	10.002	- 13,3	- 20,8
(8) - Semimanufaturados	1.097	1.595	- 31,2	- 21,5
(9) - Manufaturados	7.595	8.426	- 9,9	- 23,7
(10) Consumo de bordo	184	159		
(11) Reexportação	9	4		
(12) Exportações - Jan/Set - 1982/81				
(13) Produto	Valor - US\$ Milhões		(82/81)	Média Preço (82/81)
	1982	1981		
(14) 1 - Café	1.537	1.341	14,6	5,1
(15) - Em Grão	1.339	1.158	15,6	5,9
(16) - Industrializado	198	183	7,8	1,8
(17) 2 - Soja	1.715	2.606	-34,2	-15,7
(18) - Farelo	1.297	1.682	-22,9	-13,4
(19) - Em Grão	120	391	-69,3	-12,5
(20) Óleo em Bruto	168	459	-63,5	-10,1
(21) Óleo Refinado	130	74	75,0	-33,3
(22) 3 - Açúcar	347	780	-55,5	-35,2
(23) - Demerara	133	368	-63,9	-42,3
(24) - Melado de Cana	1	64	-98,3	-48,6
(25) - Cristal	62	62	—	-53,9
(26) - Refinado	151	286	-47,8	-49,3
(27) 4 - Cacau	330	427	-22,7	-31,7
(28) - Em Amêndoas	166	175	-5,2	-18,5
(29) - Manteiga	91	101	-9,9	-20,1
(30) - Pasta Refinada	65	141	-53,6	57,4
(31) Em Massa	9	10	-11,4	-21,3
(32) 5 - Carnes	575	588	- 2,2	- 17,4
(33) - Bovino "In natura"	144	87	65,5	- 26,8
(34) - Bovino industrializada	185	216	- 14,4	- 21,7
(35) - Equino	22	31	- 30,6	- 5,1
(36) - Frango	224	254	- 11,7	- 19,5
(37) 6 - Suco de Laranja	409	458	-10,8	9,6
(38) Total	4.913	6.200	-20,8	- 0,4
(39) Total Geral	15.104	17.002	- 11,2	-13,4

Key:

1. Exports Jan/Sep 1982/81
2. Value
3. Millions of dollars
4. Average price
5. Grand total
6. Basic
7. Processed
8. Semimanufactured
9. Manufactured
10. Consumption on board
11. Reexport
12. Exports Jan/Sep 1982/81
13. Product
14. Coffee:
15. Bean
16. Processed
17. Soy:
18. Bean
19. Meal
20. Crude oil

21. Refined oil
22. Sugar
23. Demerara
24. Cane molasses
25. Crystal
26. Refined
27. Cocoa:
28. Bean
29. Butter
30. Refined paste
31. In mass
32. Meats:
33. Unprocessed beef
34. Processed beef
35. Horse meat
36. Chicken
37. Orange juice
38. Total
39. Grand total

8711

CSO: 3342/29

## CACEX DATA SHOWS SHARP DECLINE IN EXPORTS TO EAST BLOC

Rio de Janeiro GAZETA MERCANTIL in Portuguese 16-18 Oct 82 p 3

[Article by Suely Caldas]

[Text] Rio--With a growing market since the second half of the 1970's, the East European socialist countries for the first time have sharply reduced their purchases in Brazil. According to the latest figures of the Foreign Trade Department of the Bank of Brazil (CACEX), up to July, Brazilian exports to that area dropped 35.7 percent from \$1.096 billion in 1981 to \$705 million this year, while imports doubled, going from \$125 million to \$251 million.

During this period, the growth of trade was maintained on a currency-pact agreement system under which Brazil and the socialist countries exchange merchandise all year and at the end of each fiscal year a balance is made and the debtor country remunerates the creditor with the difference of the exchanges in dollars. The creditor has always been Brazil, which has been accruing surpluses with all eight countries, particularly the Soviet Union and Poland, which comes here to supply its food shortages. However, that surplus dropped from \$915 million, between January and July 1981, to \$453 million during the same period this year.

## Poland

With the exception of Poland, to which sales were deliberately reduced this year, the drop in exports to the other countries does not suit Brazil and in some way means a setback in the effort made by the Foreign Ministry and CACEX, which has been carrying out an effort to increase trade exchange through the Commission for East Europe (COLESTE). However, the growth of our imports represents an advance in that effort inasmuch as with the currency-pact system there is interest in diverting the purchases from other countries (to whom Brazil pays on demand or on terms with interest) to those in the East, whose payment is debited from the credit generated by exports and there is no outflow of foreign exchange.

But to promote real and lasting growth in trade with the East, it is necessary first of all to greatly expand the small schedule of products exchanged. To all of them, Brazil exports food, mainly soybean, coffee and cocoa, and imports chemical products from there, but the average number of products exchanged amounts to only about 30 items, with trade with Latin American or European countries involves from 1,000 to 3,000 product items.

For the Soviet Union, for example, only five products (chicken meat, soy meal and soybeans, vegetable oils, sugar and cocoa) represented 95 percent of Brazilian sales this year. Sales to Poland were drastically reduced (from \$278 million to \$89 million) and are concentrated on soy meal, iron ore, sisal and sisal ropes, textiles and calcined magnesite, while mainly coal and sulfur come from there for consumption in Brazil.

#### East Germany

The profile of trade with East Germany is not an exception and the main products were soy meal, coffee and cocoa, although textile products already represent 10 percent of the \$104 million that that country purchased from Brazil. With Hungary, soy meal represented 64 percent of the total, followed by coffee, textiles and cocoa, but the schedule for that country is beginning to become diversified slowly, with the addition of furniture, sandals, cosmetics, shampoo and hair spray. The same thing is happening with Czechoslovakia, for which soy meal and iron ore represent 86.7 percent of the total of 20 items exported this year.

With regard to the imports from the East, it is observed that the schedule is a little more diversified although they are quite lower than exports in value. Raw materials for the chemical, pharmaceutical and fertilizer industries are present in the exchanges with all eight Eastern socialist countries, but machinery and mechanical and electrical equipment, photographic and cinematographic material are already beginning to appear and even smoking pipes and costume jewelry such as bracelets, broaches and necklaces, which arrived here this year from Czechoslovakia. Imports of vodka from the Soviet Union this year were greater than those of Polish "Wyborowa," according to CACEX figures.

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CSO: 3342/29

## AEROSPACE TECHNOLOGY CENTER ACTIVITIES DESCRIBED

Rio de Janeiro MANCHETE in Portuguese 4 Dec 82 pp 76-84

[Article by Alexandre Garcia: "CTA, Here Brazil Builds Its Future"]

[Text] At one of the "Happenings" of the 34th Annual Meeting of the Brazilian Society for the Advancement of Science [SBPC], Rogerio Cesar de Cerqueira Leite, in his status as a former professor of the Technical Aeronautics Institute (ITA), charged that a nuclear bomb was being built in the Aerospace Technological Center (CTA), to which the ITA is linked. By that means the SBPC won the headlines it sought, including in Argentina, where it frightened our neighbors. Without any basis in fact, the charge achieved its objective of promoting the meeting. However, it also incited MANCHETE to embark on paths never trod before by a press organ through the laboratories of the CTA.

What we discovered goes far beyond the charges made by the former ITA professor. In the CTA they are studying nuclear hydrogen fusion by means of lasers; a rocket is being developed for launching the Brazilian satellite; a telephone which transmits more than 20,000 voice channels by lasers, using four flashlight batteries, has been installed; a Brazilian jet aircraft engine has been produced; research is being conducted on an optic fiber gyroscope and on a fast breeder reactor to take advantage of our thorium reserves which are enough for several milleniums; a windmill is being produced for generating 100 kilowatts of energy to provide power to Fernando de Noronha; a missile which follows the turbine of an enemy aircraft, very light fibers, which are stronger than steel, alcohol-fueled trucks and aircraft are also being produced. Methods for making it rain in the northeast are being perfected, applications of lasers in industry are becoming practical and Brazilian radars will be produced by national industry. We discovered a hundred new things. We discovered among the 5,000 men of the CTA, the greatest concentration of minds in the country and one of the greatest in the world. We discovered that the technology already developed is at the disposal of national private enterprise for practical use. The only thing we did not discover was the nuclear bomb. Almost everything in science and technology is being done at the CTA. Without boasting, this is something about which every Brazilian may be proud. However, the bomb is not being made.

The Aerospace Technology Center is a city of 130 hectares in which 5,386 people work, of whom 1,180 are military personnel (280 officers). Almost half of those people have a higher education, a good number of them with a postgraduate degree. Only 20 of them are foreigners with passports. The CTA is near Sao Jose dos Campos, to one side of the Dutra Highway, 80 km from Sao Paulo. Within that

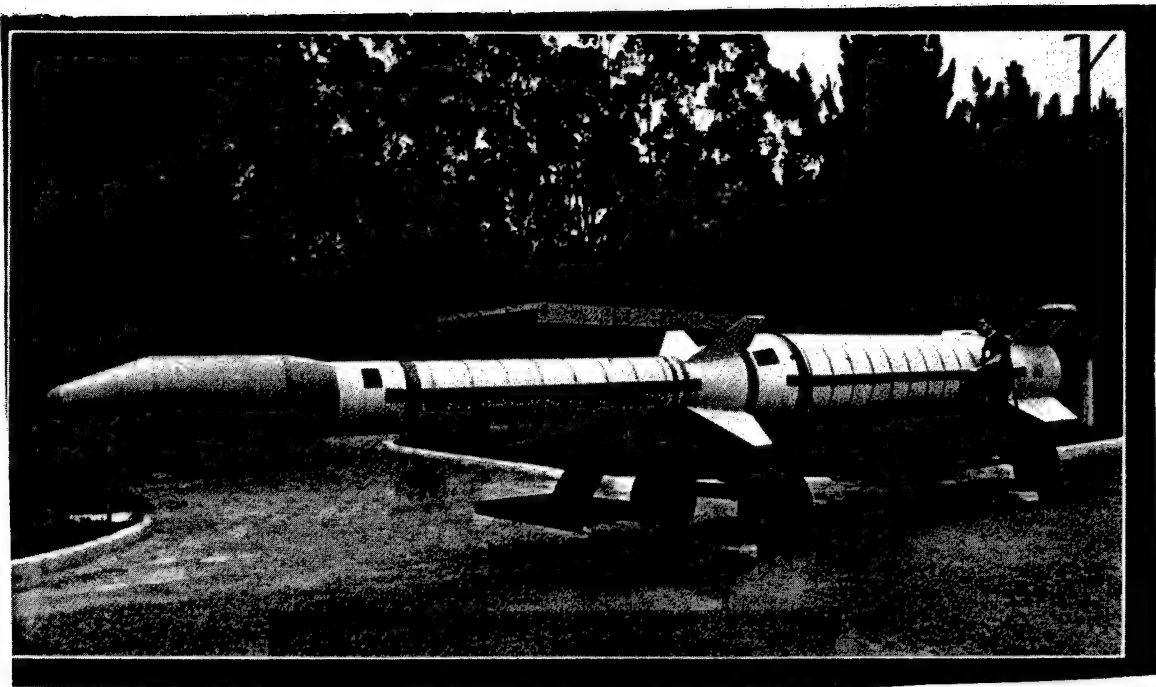
# CTA

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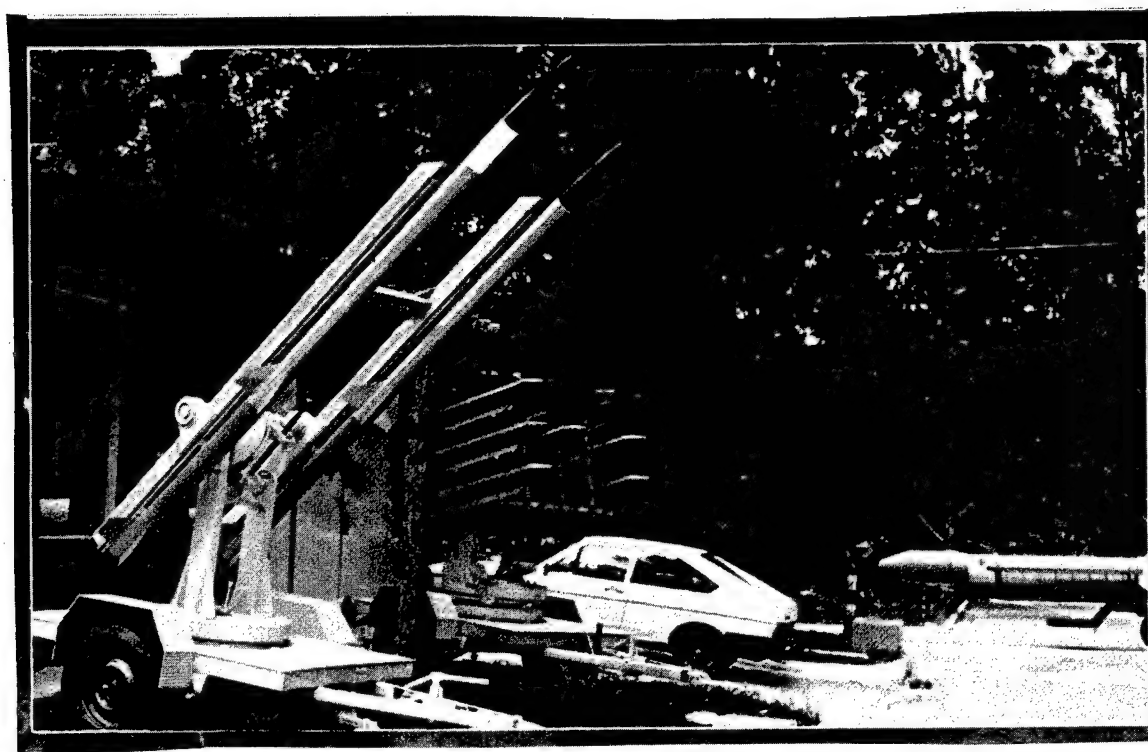
## Aqui o Brasil fabrica o seu FUTURO



< Brazil in the space age: In the above photograph is the launching of a Brazilian rocket at Barreira do Inferno.



Prototype of the Sonda IV, which will be launched in 1984 .



Multiple launching ramps for the Sonda I and SBAT 127.



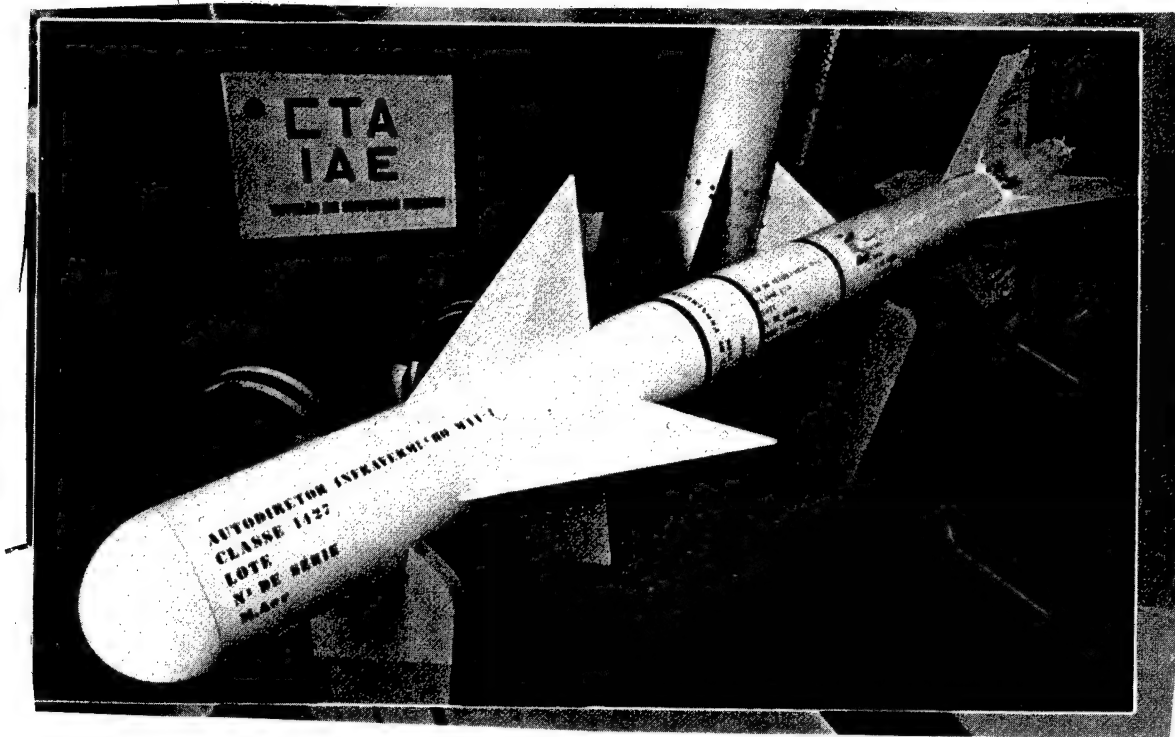
city of science and technology live 900 families. The center consists of the Technical Aeronautics Institute, the Research and Development Center (IPD), the Space Activities Institute (IAE), the Industrial Coordination and Promotion Institute (IFI) and the Advanced Studies Institute (IEAv). CTA Director Air Maj Brig Lauro Ney Menezes, likes to say that unlike the research done in other countries, the center focuses on objectives which bring practical results in the socioeconomic area first and then gives them a military application if required. The deputy director of the CTA is Air Maj Brig Hugo de Oliveira Piva, a PhD, graduated from the ITA in 1957 and has the highest honors from the institute: Summa cum laude. He has been in the CTA for more than 20 years. One of the first institutes of the CTA to go into operation was the one having to do with teaching: the ITA. It was installed in Sao Jose dos Campos in 1950 on the grounds planned by Oscar Niemeyer. Its first professors came from the Massachusetts Institute of Technology (MIT). At that time the Santos Dumont Academic Institute was electing its new president: Paulo Victor da Silva, later the director of the CTA as a brigadier. Famous foreign professors lectured there until the Brazilians began to take their place. When the Physics Department was being installed, the ITA asked MIT to appoint a professor to head it, someone with "a solid and brilliant academic background." MIT replied: "Paulus Aulus Pompeia, Esperia Street, Sao Paulo, Brazil." The last rector of the ITA, Professor Jesseu Vidal, took leave of absence to become secretary of education for the state of Sao Paulo.

#### The Work of the CTA Leads the Way for Industry

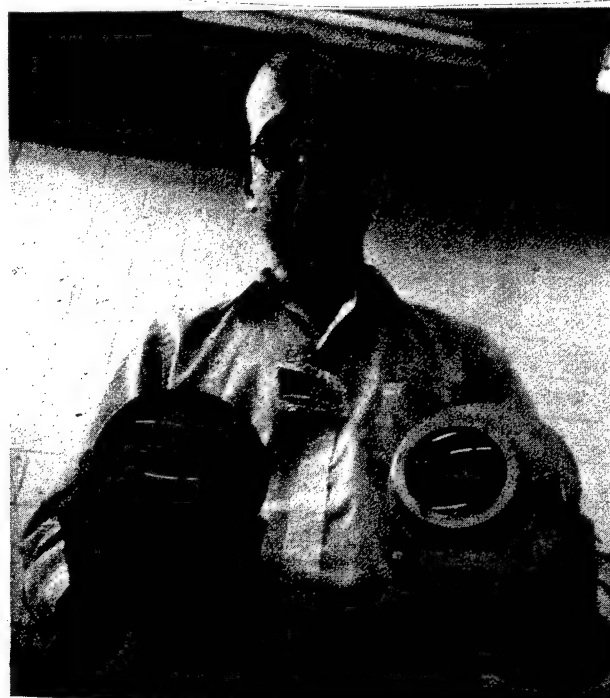
Today the ITA has 982 students and 169 professors. There are 314 students involved in postgraduate work. The institute has already trained 2,523 engineers in aeronautics, electronics, mechanics, aeronautic infrastructure and aeronautics mechanics. In the first two years, the students take reserve officer training, becoming reserve officers of the Brazilian Air Force.

The ITA library has 120,000 specialized volumes and 60,000 microfilmed documents. It takes care of 800 consultations daily. By the end of the year it will have four computer terminals. In the various laboratories and departments of the ITA, the interest of the students is considerably higher than that noted in the Brazilian schools. Its work concludes by being used by national companies. On the day we visited the Department of Mechanics, for example, we saw tools built by the students; rocket casings, a nonmetallic faucet made of plastic, which is considerably cheaper than those found on the market; pressure vessels made of glass, carbon and "kevlar" fibers. In all areas, the students begin practical classes after lunch and many times go late at night on their own initiative.

The IPD of the CTA has existed since 1954 but its work only became known nationally after 1966 when it developed the plans for the Bandeirante aircraft, today an international success in EMBRAER [Brazilian Aeronautics Company] sales. At that same time, the IPD developed the Urupema glider and the Ipanema crop duster. In their laboratories, amid the leafy guapurubus filled with spring locusts, the men of the IPTD continue to research and develop new things to be delivered to the Brazilian and international markets.



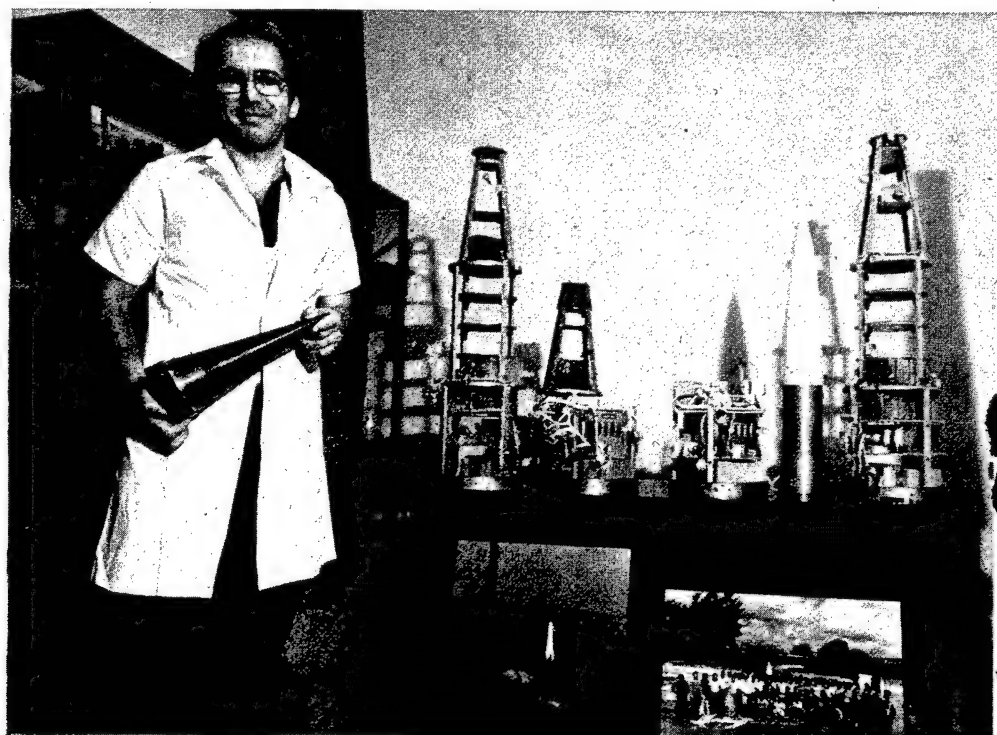
The ultramodern Piranha missile which follows the turbine of an enemy aircraft guided by its heat.



The laser telephone transmits more than 20,000 voice channels.



Students devote themselves night and day to practical classes.



*Um técnico do CTA exhibe algumas ogivas recuperadas dos foguetes Sonda já lançados.*  
A CTA technician shows some of the heads recovered from the Sonda I rockets already fired. They will allow a more certain development of the Brazilian space program.

Upon entering the IPD Aeronautics Division, the visitor sees some models which have been tested in its aerodynamic tunnel: A Karmann-Guia, the Fittipaldi automobile, an incendiary bomb, the gigantic flagstaff of Brasilia and the Teresopolis microwave tower. Flight tests and structural tests are performed here. There are three aerodynamic tunnels. The largest produces winds of 500 km/h. The tunnel is used so much that it has been scheduled for all of 1983. Not only are tests with the new Brasilia EMB-120 aircraft (turboprop 30 passengers) and the subsonic fighter AMX, performed here, but also tests on the streamlining and wind resistance of buses, automobiles and even buildings.

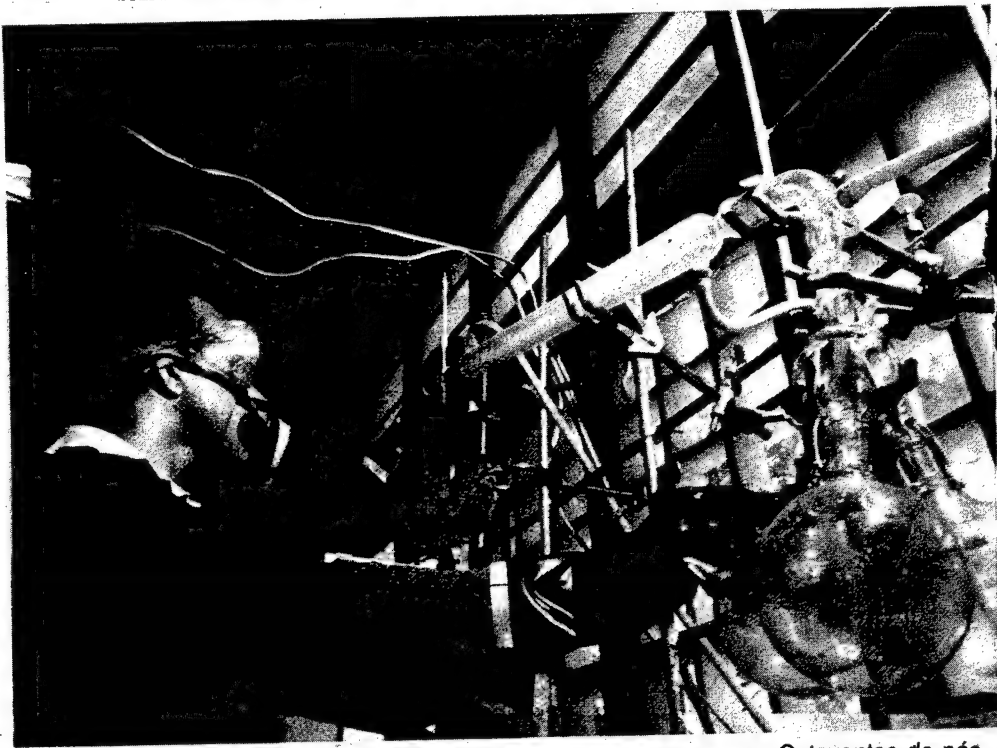
A scale weighing 7 tons is linked to a computer to indicate all variations in performance, stability, pressures, stresses and movements of the vehicle or part being tested in the tunnel. The computer takes 50 readings in 0.8 seconds, takes the average and gives the results. It is the only tunnel of the type in Latin America. The wind tunnel tests are important in the planning of aircraft. Our Bandeirante, for example, has little similarity with the first model tested in the wind tunnel 15 years ago. Today the IPD is already preparing its own supersonic tunnel, which has been almost finished.

In the IPD Materials Division, a very light carbon fiber is being developed, which has a strength greater than that of steel. Polyacrilonitrila, an acrylic fiber produced by FIBISA [expansion unknown] in Bahia is being used to make comforters. In the laboratories of the Materials Division, a pilot plant gives two treatments to the fiber causing it to raise its melting point, changing its molecular structure. Passed through an oven with an argon atmosphere at 1,600 degrees, the structure of the polymer becomes like that of graphite, acquiring one of the strongest molecular bonds in nature. Because of its light weight and high tensile strength, the material is of aerospace use and of strategic importance. I took one of the sheets made with carbon fibers in my hands; it is light and practically impossible to break.

#### Brazilian Titanium Is Stronger Than Steel

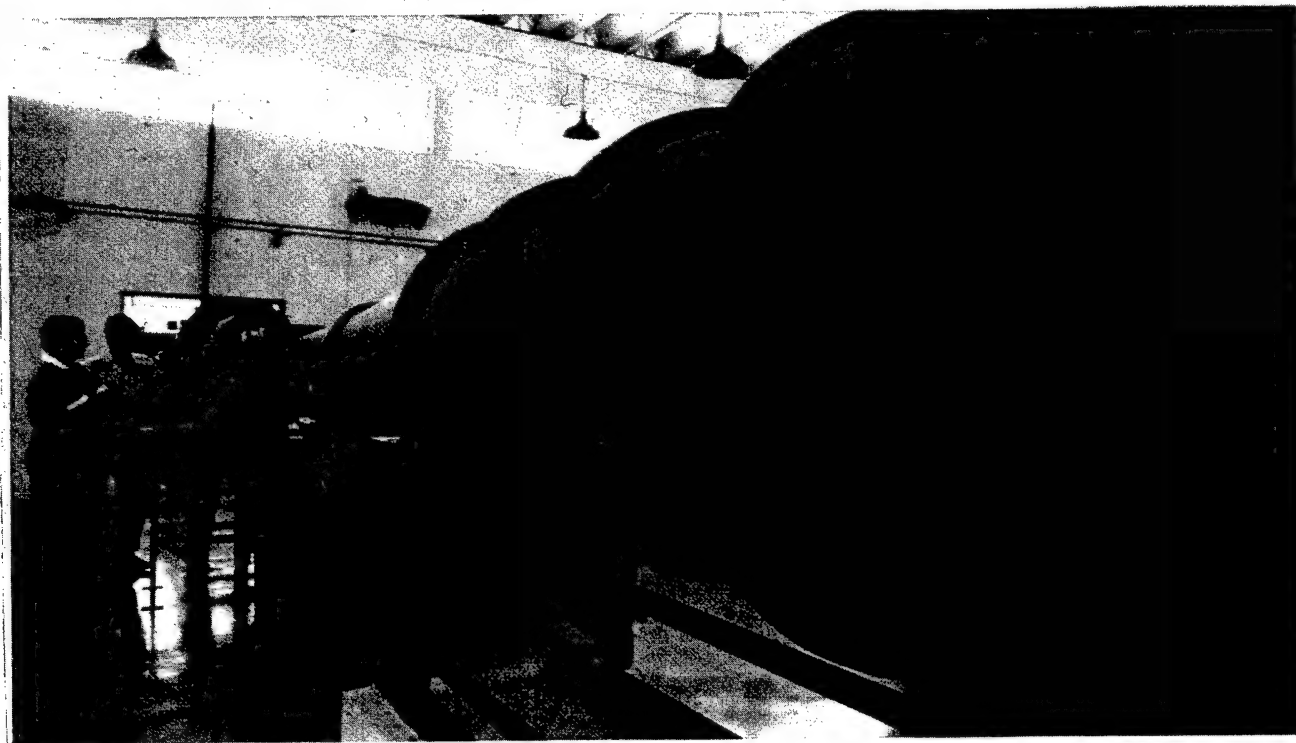
Here also a process for obtaining titanium was developed. Brazil has the world's greatest reserve of anatase, the raw material for titanium, in Araxa (Minas Gerais). By mixing anatase with carbon and gaseous chlorine, titanium tetrachloride is obtained. The titanium tetrachloride sponge is crushed, compacted and placed in an air-tight oven with the exclusion of air. At the end of the process, an ingot is obtained which can be forged like steel.

Brazilian titanium has the same strength as steel but weighs half as much and is corrosion-resistant. It has an advantage over aluminum, which melts at 180 degrees. Titanium melts at 400. It can be welded, forged, machined and rolled with the same equipment used for working steel. ELETROMETAL [expansion unknown] of Sao Paulo can already produce titanium from sponge and METALMIG [Minas Gerais Metals] in the industrial complex of the Minas Gerais Triangle is interested in producing titanium pigment and metallic titanium. The CTA is ready to provide all the technology of the process. Titanium has long been used in Brazil in equipment for the chemical and petrochemical industry because it is corrosion-resistant. It is also used in supersonic aircraft.



O IPD desenvolveu uma fibra levíssima e mais resistente que o aço. Cataventos de pás

The IPD developed a very light fiber which is stronger than steel.



tiram mais segura evolução do programa espacial brasileiro. Em fase de montagem, o túnel aerodinâmico supersônico.  
The supersonic aerodynamic tunnel in the installation phase.

Work was begun on an alcohol-fueled motor in the IPD Motor Division 12 years ago. Today that motor is being used throughout all of Brazil. Today, however, a step further is being taken, developing not a motor adapted for alcohol but a motor specifically made to be fueled by alcohol. That motor is already on the drawing board and some of its parts were ordered from national industry. This is a 200-HP motor for medium trucks and urban buses.

This brings about a reequilibrium in the petroleum distillation process since there will be savings in diesel fuel also. The prototype will be finished by the end of 1984.

The motor for the crop-spraying aircraft Ipanema, a six-cylinder Lycoming motor adapted for alcohol, is already on one of the five test benches. It is the best choice for alcohol use in aviation since the crop-spraying aircraft does not need a great range because it needs to land often to replenish the material it is spraying.

The first engine for a Brazilian jet is already running in the Motor Division. It is part of the Tiete Turbojet Project. It is a turbine planned in the CTA and manufactured by the Brazilian Tractor Company. It has 30 kilos of thrust and a diameter of 27 centimeters. It is going to be placed in target aircraft for the FAB [Brazilian Air Force] and is the first step for the Brazilian remote controlled aircraft. The IPD Electronic Division is installing a prototype flight simulator for the Tucano. Later it will pass the technology to EMBRAER, which is going to build four or five simulators for the FAB because the Tucano is going to be the training aircraft for the Air Force Academy. The prototype will be completed in one year. This will be the first Brazilian simulator. By producing it, Brazil enters a small group of four countries which produce flight simulators in the world. The prototype simulates all the movements and conditions of flight of the aircraft for the training of pilots with situations created by a computer.

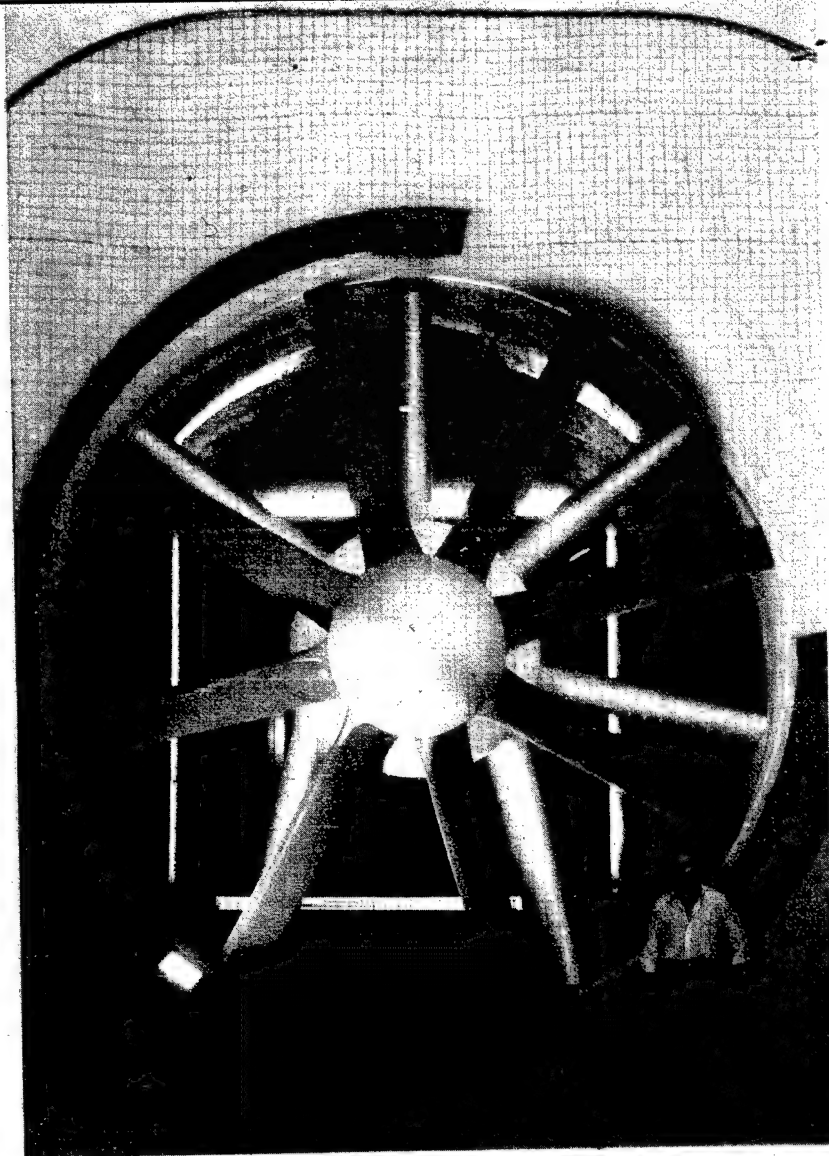
#### The CTA Is Going to Change the Climate of the Northeast

The stars of the Electronic Division are the two Brazilian radars: The Earth Weather Radar, the first developed in Brazil, and the Airport Surveillance Radar. The first has a range of up to 400 km and the second of up to 100. The approach radar is more precise because it tracks aircraft. The weather radar has been improved since 1974 and is equal to the best in the world. They can already be produced by a national company established in Sao Jose dos Campos, the PLANASA, which receives the technology from the CTA through the IFI.

Some large-scale projects are being developed in the IAE: the modification of the semiarid climate of the Northeast; the Brazilian satellite launching vehicle; the production of electric power by wind, and military systems, outstanding among which is the air-to-air missile Prianha, a heat-seeking missile.

Project Modart (artificial modification of the Northeast climate), is already being developed. Five Bandeirante aircraft based in six support centers (Petro-lina, Paulo Afonso, Bom Jesus da Lapa, Campina Grande, Crateus and Jauzeiro do Norte), create the concentration of clouds to bring rain. They identify warm cloud formations and seed their interiors with a solution of sodium chloride (salt water).





*A imensa hélice do túnel aerodinâmico provoca ventos de até 500 km/h.*

The immense fans of the wind tunnel generate winds of up to 500 km/h.

Project Moclíma (climate modification) is intended for creating or increasing the cloud cover which the wind brings at night from the ocean to the Northeast. It consists of aerial application of carbon particles to the ocean. Those particles, absorbing the heat of the sun, raise the surface temperature from 5 to 8 degrees. This increases evaporation and stimulates the formation of rain clouds. The application is accomplished in the morning. The clouds form and grow during the day and at night they are driven inland by the wind.

Also in the sector of climatology, the IAE is preparing a climatological atlas, using 20 million punch cards. At the end of 15 years of work, the atlas will provide more secure bases for weather forecasts in Brazil. It was the IAE which made Brazil enter the space age in 1965 with the launching of Sonda I at Barreira do Inferno. Today after the launching of 200 Sonda I, 50 Sonda II and 17 Sonda III rockets, the IAE is building Sonda IV, precursor of the rocket that will launch the Brazilian satellite and place it in orbit in 1989. By doing that, Brazil has won a place in a very exclusive world club, that of the countries which will operate in the space market.

Sonda IV will be launched in 1984. It is already undergoing tests in a supersonic tunnel in the Federal Republic of Germany. Some of its components are being produced in the IAE in an ultraclean environment: air filtered in such a way that not even bacteria can pass. Sonda IV will send 120 different pieces of data to earth and it will all be monitored by a system tried everyday in the IAE. Sonda IV weighs seven tons and carries 300 kg of useful load 1,000 km into space. The first stage will be piloted, correcting deviations through the injection of freon into the gas exhausts.

#### The United States Already Acknowledges our Space Progress

With respect to the Sonda IV system, the IAE had to develop a freon tank capable of withstanding the pressure of 90 atmospheres and built with automatic welding. Steel nitrogen bottles will make the injection through 24 valves controlled from the ground. Inertial systems were developed in the ultraclean rooms. The on-board processors and even the plant for loading the engines with solid propellant were developed there. Soon, parts of the engines will be tested in a test tunnel installed in a quarry. These parts, already loaded, are stored at the CTA protected by a ground wire, which prevents sparks caused by static electricity.

Work is already going on in the IAE on the Satellite Launching Vehicle (SLV), a four-stage rocket weighing 40 tons. The SLV will be launched from the Alcantara Space Center in Maranhao closest to the equator. Brazilian progress in the space field has already been acknowledged by three of the most advanced countries in the world in that field: The United States, Federal Republic of Germany and France. The first two made recent joint launchings with Brazil for research of irregularities in the ionosphere. Brazil cooperates with France in tracking the launch vehicles for the Ariane satellite from the Courou camp in French Guiana.



Brazilian space development has brought some consequences to national private enterprise. In the development of Sonda I it was necessary to produce seamless aluminum alloy pipes, which were not yet being produced in Brazil. Since 1968, they have been made by Termomecanica Sao Paulo S.A. At the same time, dependence on foreign sources for 37, 70 and 127-millimeter military rockets was terminated. As a result, AVIBRAS [Aerospace Industry] went on to export rockets and today there are those who estimate that those sales approach the figure of \$500 million per year. The savings in foreign credits alone generated \$1 million per month.

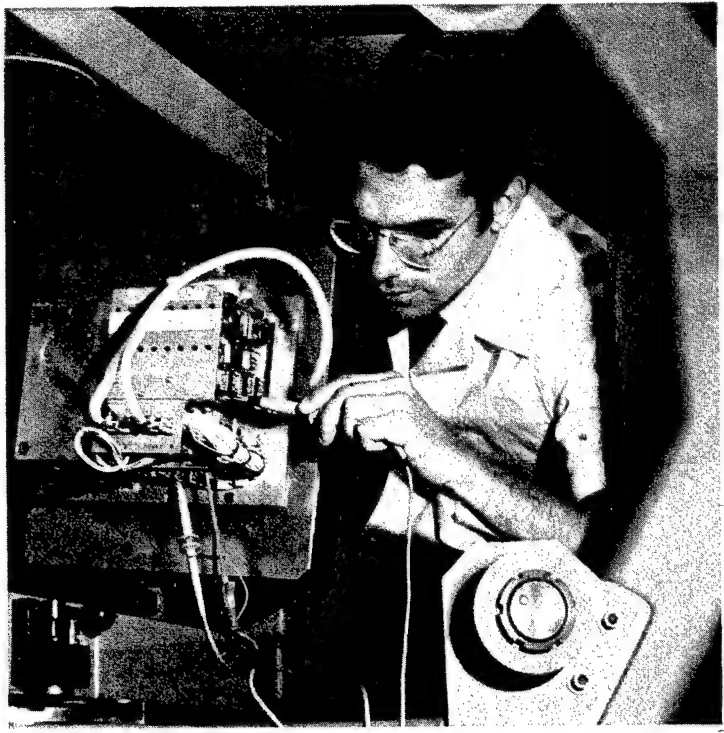
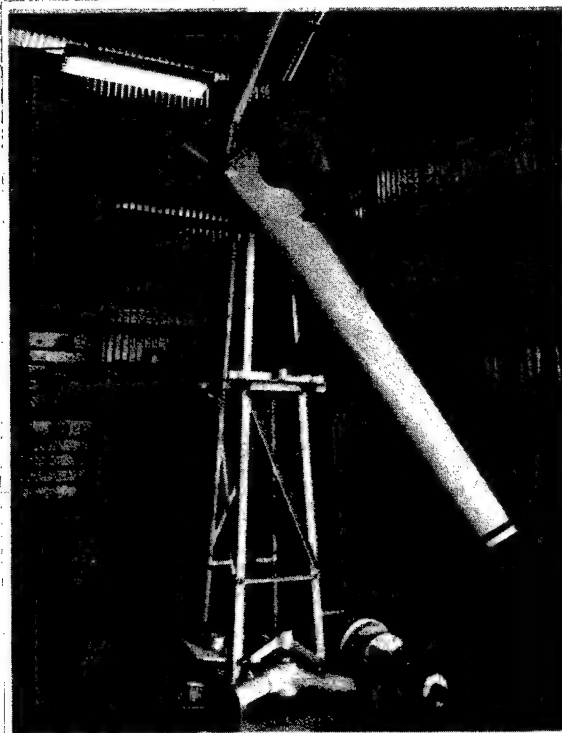
With the development of Sonda II and Sonda III, high strength steel plates were produced by ACESITA [expansion unknown]. The need for ultra-high strength alloys for Sonda IV is leading ELETROMETAL, ACESITA AND USIMINAS [Minas Gerais Iron and Steel Mills, Inc.] to produce new alloys. As a result, ELETROMETAL has already received a contract from Boeing for providing steel for the landing gear of the Boeing 747. The list of national companies which are undergoing advances caused by the Brazilian Space Program now numbers 25. "Everything we do has a practical application," says CTA Director Brigadier Menezes. Another project linked to the space program is that of perchlorate of ammonia, which is the raw material for the rocket propellant. Since no one will provide the formula, the Brazilians are developing their production on an industrial scale.

Other IAE creations are already being produced and exported: machine gun cartridges for aircraft, bombracks, bombs, 37mm rockets (5km range), 70 mm rockets (8km range) and 127mm (15km range), multiple launchers for air-to-ground rockets; launchers for 12 SBAT 127 ground-to-ground rockets and double launchers for the Sonda I ground-to-ground and Piranha MAA I rockets. The Piranha is an air-to-air 2.67m [as published] rocket with a 6-km range provided with an infrared automatic detector which homes on the heat of the turbine of an enemy aircraft. The detection system gives orders to "rollerons" (movable parts on the tail assembly) which guide the missile in the direction of the target.

#### Nuclear Fusion by Laser Is Under Study

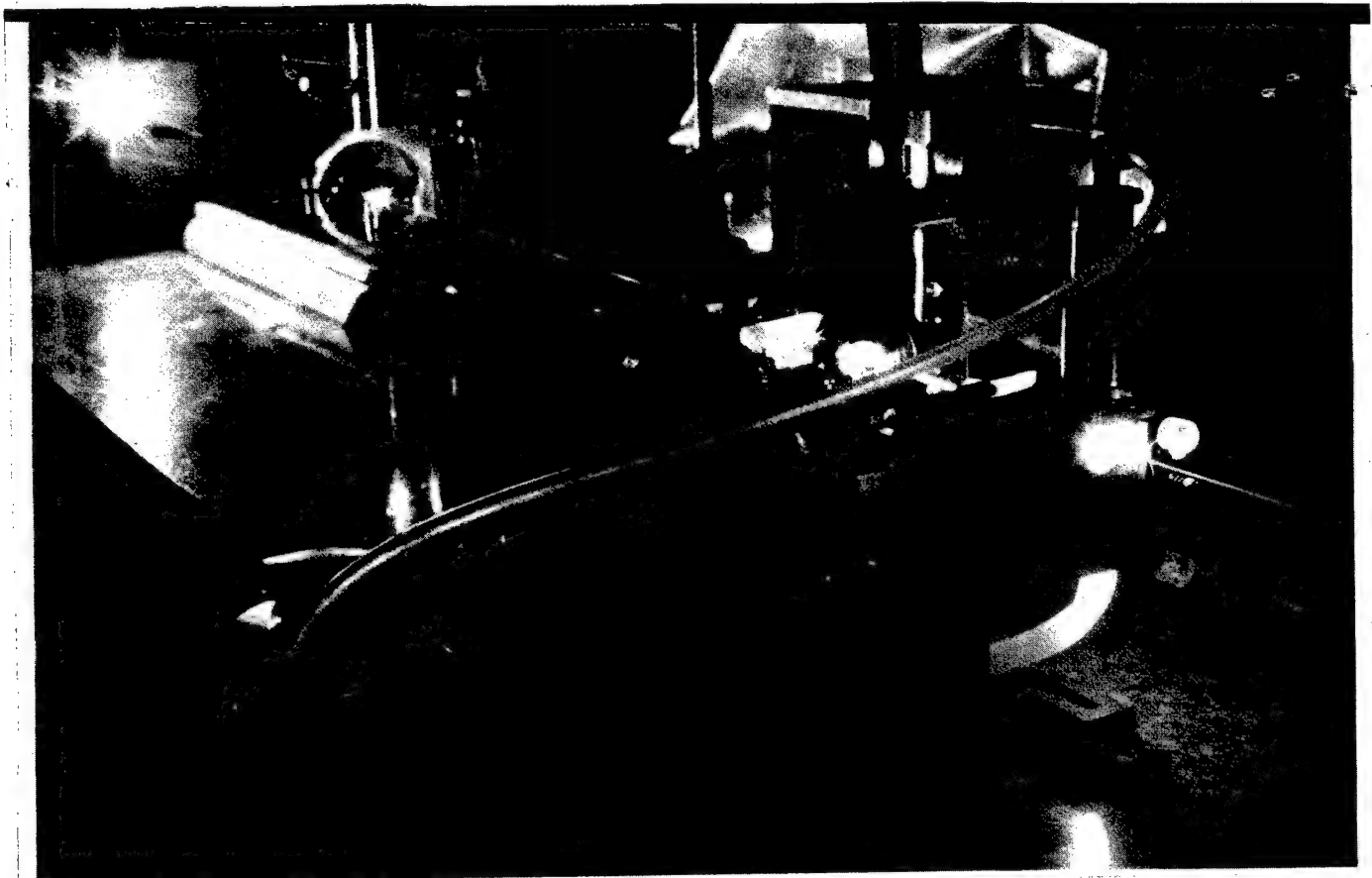
Finally, the Eolic Project of the IAE intends, among other things, to provide the island of Fernando de Noronha with its own power, preventing the difficult unloading of fuel oil on an island without docks. A windmill with three blades, 25 meters in diameter, is being developed, which is going to produce 100 kilowatts. The pitch of the blades is variable and self-adjusting so that it can adapt to the velocity of the wind without changing the rotation of the windmill. In this way a stable energy is obtained without an alternator on the shaft of the windmill rotor.

Solar energy will also be used in Fernando de Noronha and biodigestors will also be installed. Another windmill of 5 meters in diameter is going into the manufacturing phase. TELEMIG is already using it for producing power for micro-wave installations. It is planned for winds of 8 meters per second, stabilizing at 140 rotations per minutes. Centrifugal force raises or places the blades in starting position, depending on wind velocity, so as to keep a stable rotation. A multiplying shaft increases rotations from 140 to 1,700 per minute. Current stability is also controlled electronically. In addition to this windmill, another, 8 meters in diameter, is in existence.



Windmills with variable pitch blades are going to produce electricity

In all phases, work is done pursuant to the highest international standards.



Mastery of laser technology means independence in one of the most important areas of the future world.

The latest novelties of the CTA are in the IEAv. Here the priority projects are the development of lasers, a linear accelerator, a fast breeder reactor and nuclear fusion by laser. One of the objectives of the development of lasers is the learning of that technology so as to transfer it to national industry. Their use is widespread: welding, cutting and shaping.

The greatest effort is directed toward the carbon dioxide laser, which emits an invisible ray and has the greatest industrial application. The applications of laser rays in medicine and odontology are also immense. In these cases there is a coloring agent which makes the rays visible.

Nuclear fusion by laser is aimed at the generation of power. It concentrates a laser beam on a small sphere of deuterium or tritium. The resulting implosion creates conditions for a thermonuclear fusion controlled by a laser pulse. The IEAv does not wish to accomplish fusion but rather to develop the technology so as to be able to keep up with all the steps taken by other countries seeking the same objective.

The linear accelerator is a joint project with the University of Sao Paulo. The objective is that of developing it for use by the scientific community, obtaining experience in particle acceleration in general. One of the byproducts of those studies is X-rays. Today X-rays are imported. With the technology acquired, it will be passed on to national industry so that we may manufacture our own X-ray devices.

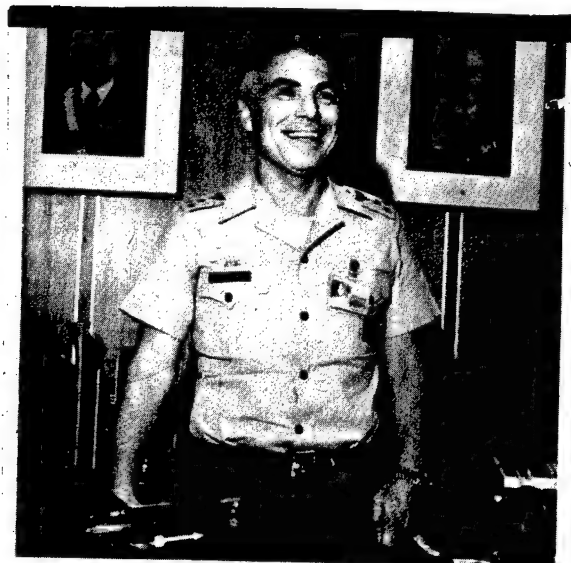
By accelerating particles even more, neutrons and a nonpolluting reactor are obtained. A fast breeder reactor will allow us to use our thorium reserves, which are the largest in the world. A conventional reactor would use up all our uranium reserves in 13 years if it were used to produce all our requirements for electricity. A fast breeder would require 7,800 years to use up all the thorium, if thorium were used to provide all the Brazilian demand for electricity. The fast breeder reactor project is already on paper and the IEAv is going to begin from zero until it acquires it.

#### The CTA Makes Aeronautics a National Industry

The optic fiber gyroscope is another star in the IEAv. It is based on a recent discovery. Brazil does not yet have the technology of the mechanical gyroscope. It would take 10 years to obtain it. Instead of that, Brazil is leaping ahead of the most developed nations in the direction of the optic fiber gyroscope. It has already been obtained in prototype. All that is needed is to make it compact in order to give it practical application and make all the tests to check its reliability. The gyrolaser, a laser gyroscope, already exists in the United States but the optic fiber device is more practical and Brazil is further advanced in that project. A laser intercommunicator has already been produced in the IEAv that transmits more than 20,000 voice channels, using four flashlight batteries as a power source. The distance between instruments is 10 kilometers in a straight line. It is immune to electrical noises and reception is clearer than that of FM. Moreover, it does not require telephone cables. A laser telemeter was also developed for use in civil construction, where it provides measurements



Turbine of the first Brazilian jet.



CTA Director Air Maj Brig Lauro Ney Menezes wants more socioeconomic than military results.

up to a fraction of a millimeter, and for topography. It has already been tested at 600 meters. It is in the phase of learning more technology and passing it on to industry.

In the IEAv laser laboratory, the layman is amazed at what he sees. There is a high-powered laser built there that emits a beam of 1 billion watts in a pulse of a billionth of a second duration. In a smaller laser, a researcher pointed the ray into the air. The ray broke a particle, emitting light and sound while it separated ions and electrons, repeating this every second. That night my ears still crackled from the effects of the explosion of air particles by the laser.

The transfer of technology developed by the CTA to private enterprise is done through the IFI. That is the way it is with the Bandeirante and Tucano, for example, together with the rockets today exported by AVIBRAS and the radars TECNASA is going to produce. When some sector of the CTA obtains a certain new product, simultaneously the IFI has already found someone who wants to mass produce it. Another role of the IFI is to make the aeronautics industry as national as possible.

8908

CSO: 3342/46

CHILEAN EXTREMIST PLACED AT MILITARY COURT'S DISPOSAL

PY161647 Santiago Domestic Service in Spanish 0930 GMT 16 Dec 82

[Excerpts] Dr Elizabeth Rendic Olate, a physician, has been placed at the disposal of the military court.

The extremist was arrested on 28 November during a shootout in which Dagoberto Cortes Guajardo--second in command within the movement of the revolutionary left [MIR]--was shot dead.

According to members of the security forces, the woman belonged to the central group of the MIR's military branch, where she operated under the name of (Ana Maria Hidalgo Tapia) and used the nomas De Guerre Alicia, [name indistinct] or Leo.

Elizabeth Rendic was a surgeon at a clandestine MIR clinic. She also acted as permanent link between Dagoberto Cortes and the remaining members of the organization, to whom she conveyed orders and instructions as well as supplying them with forged documents. [passage omitted]

The extremist was placed at the disposal of the military court, charged with participating in several terrorist actions and violating the state's security law and the law on control of arms and explosives.

CSO: 3348/155

## BRIEFS

NEW SANTIAGO GARRISON CHIEF--Santiago Diplomatic Information Service--The Chilean Air Force reported yesterday that Gen Ramon Vega Hidalgo has been appointed commander of the 2d Air Brigade and chief of the Santiago Air Force Garrison. [Text] [PY221857 Santiago Diplomatic Information Service in Spanish 2355 GMT 15 Dec 82]

NEW UNIVERSITY RECTOR--Santiago Diplomatic Information Service--Brig Gen Roberto Soto MacKenney, former foreign relations under secretary and present commander of the 2d Army Division, has been appointed rector of the University of Chile. He replaces Brig Gen Alejandro Medina Lois, who will be army operations director. [Text] [PY221857 Santiago Diplomatic Information Service in Spanish 2303 GMT 14 Dec 82]

CSO: 3348/155

## HAVANA LOOKS AT APATHY IN U.S. ELECTIONS

Havana TRABAJADORES in Spanish 8 Nov 82 p 3

[Article by Juan Dufflar Amel: "United States: Goodbye to the polls"]

[Text] Legislative elections held in the United States are again characterized by great citizen apathy.

While President Reagan used his prerogative to vote by mail, nearly 60 percent of the 169,342,000 failed to participate in some elections that offered no option of immediate change in the deep economic and political crises that are sweeping the country.

Such a high degree of abstention from the electoral process for electing senators and representatives to the U.S. Congress has been steady for the past 50 years.

In the previous legislative elections of 1978, half way through former President Jimmy Carter's term, only 35.5 percent of the electorate voted, the lowest percentage since 1942.

During the 1980 presidential elections which carried Ronald Reagan to the White House, 53.9 percent of the total voters went to the polls, a figure very similar to that of 1976.

Voter indifference is a reflection of the lack of confidence, by means of suffrage, urgent solutions to the grave ills of the nation: runaway inflation, industrial recession, gigantic budgetary deficit and astronomical unemployment, among others.

The majority of those who did vote had the opportunity only to show their discontent with the economic, social and foreign policies of the occupant of the White House, under whose mandate unemployment reached a record 11,600,000 figure in October.

The controversial Reagan economic program, characterized by enormous cuts in social programs, increase in military expenditures, reduction of taxes in order to stimulate investments, and high interest rates have had a negative effect on the U.S. economy.



"Reaganism" has been translated into an increase, almost uncontrollable, in the budget deficit which, in 1982, will exceed \$110 billion and a trade deficit which, in the July-September quarter, reached \$13.01 billion, a figure without precedent. At the same time, failures in business and industry are on the increase.

Faced with this economic outlook, the feelings of the electorate were hurt even more by the election's representing an expenditure of \$300 million--the most expensive legislative election in U.S. history--while all the candidates shouted their heads off talking about "the economic crisis and the nation's dramatic financial situation."

Suffice it to say that Republican candidates, William Clements of Texas and Lewis Lehrman of New York, spent \$14 and \$13 million, respectively, on their campaigns only to be defeated by their opponents. It is estimated that the "rich" and sectors with annual incomes in excess of \$40,000 gave their votes to the Republicans. Now, the advantage obtained by the Democratic Party in the House of Representatives will not mean substantial benefits for the American people, nor will it bring about radical changes in the politics of the present Republican administration.

Scarcely had President Reagan finalized his scrutiny when he rushed to say "he will maintain the course of his economic and defense policies," which confirms the apprehensions and skepticism of Americans who prefer to say goodbye to the polls and keep themselves far from elections without benefits.

9908

CSO: 3248/346

PAPER CALLS FOR IMPROVING WORKERS SAFETY

Havana TRABAJADORES in Spanish 16 Nov 82 p 1

[Editorial: "Work Related Accidents Cannot be an Endemic Disease in a Society Such as Ours"]

[Text] Cuban society, able to control the effects and the permanence of epidemics as virulent as dengue fever and hemorrhagic conjunctivitis, is being constantly attacked by a disease which medicine could describe as endemic: work related accidents.

Year after year our country suffers the loss of several dozens of workers, while a large number of them lose their physical capacity, become morally traumatized and in general constitute a painful remainder for family, friends, and coworkers, who can hardly understand why such tragedies occur.

Notwithstanding the fact that the frequency and seriousness of work-related accidents have diminished during the first half of this year, in this period there were 32,214 accidents, 30,862 of which were trivial, 1,209 were serious and 143 fatal.

These statistics of pain and suffering are not much different from those registered in the last few years during a similar period of time.

Examine the pages of our glorious and combative history and let Cubans grieve over the fact that the decisive and prolonged battles of the wars for independence, of the revolutionary insurrection, of the country's defense against imperialist attacks, and of the internationalists' contribution have at times not caused as many casualties as we have to lament in the peaceful and creative task of production.

This anomaly should hurt and does hurt deeply the revolutionary sensitivity, which will never admit the risks of labor-related accidents as natural and inevitable.

Among the objectives of redemption inscribed on the beautiful banners of our ideological doctrine there should appear indelibly and forever Marx's statement that for rational work and an efficient economy, a proper structuring of human conditions is an essential requirement.

As with any other field of our communist projections, but more intensely so because man is the object of this preoccupation, a revolutionary cannot resign himself to the evils of his time and reconcile himself with the limitations that, with or without reason, the objective nature of phenomena seems to impose.

We would be inconsistent if we did not see that these accident rates do not depend only on the fact that the available financial framework and the material resources we can devote to improving working conditions are inadequate for our needs. We would be inconsistent if we did not see that in one way or another the majority of work-related accidents are due to someone's irresponsibility, to someone's lack of discipline, to someone's permissiveness, to someone's negligence and insensibility, that they result finally from deficiencies that have to do with man's attitude and man's will.

We urgently need a pang of conscience that will help us to single out that "someone", that will purge and stigmatize him, denounce him and punish him, because as of now the gross sum of indiscipline, of irresponsibility, of indolence and negligence belongs to all of us to some degree.

Administrators and union leaders, judges and prosecutors, journalists and teachers, workers and labor organizers, we all need to understand definitively that the protection and sanitation at work are an essential element of the production and social betterment for which we are struggling. We need to understand that the protection and sanitation at work are not isolated elements, independent and secondary, but a true *raison d'être* of our ideals, aspirations and interests.

Throughout the country there begins today the National Event for Protection and Sanitation at work, whose praiseworthy goal is to publicize everywhere the analyses of accidents occurring in each location, and through publicity and propaganda to foster social concern for this problem.

With all our strength we welcome this action, which in the long run cannot have other ends than to put into daily practice habits, systems and mechanisms that would safeguard our society against this type of endemic disease from which we are suffering.

We greet with enthusiasm all efforts to make a reality of the Event's slogan, which is a call to action and to conscience: Protection and Sanitation at Work, Everyone's Job.

We sincerely greet the men and women of our socialist country who through precaution, example and exigency are willing to dedicate their revolutionary zeal to the noble task of preventing accidents from continuing to snatch away the valuable lives of our workers, to hurt the physical integrity of our men and women, and to harm the productive capacity of our society.

May every union leader, every administrative director or official, every one of our workers become a conscientious and energetic activist against accidents and their causes!

9907

CSO: 3248/349

## COMMENTATOR LOOKS AT LATIN AMERICAN ISSUES

FDR-FMLN

Havana TRABAJADORES in Spanish 1 Nov 82 p 3

[Commentary by Arnaldo Morales Capo : "FDR-FMLN: Strengthening and Dialog"]

[Text] Recent events in El Salvador seem to confirm the true positions insofar as solution of the conflict is concerned and, moreover, what the prospects are for the parties involved in this already prolonged struggle.

The puppet government, as well as the U.S. State Department, have tried to demonstrate that the dramatic situation in the small nation can only be imputed to the intransigence of guerrilla forces who refuse to put down their arms. And they boast of the stability of the Alvaro Magana regime which, as they say, is slowly achieving tranquility.

Now, the events of the past week show precisely the contrary. The offensive begun by FDR-FMLN (Democratic Revolutionary Front-Farabundo Marti Front for the National Liberation) forces which resulted in the capture of important towns like El Jicaro, Las Vueltas and San Jose de las Flores, following the Heroes and Martyrs' victorious offensive on October 1979-1980, show the regime's incapability and that Salvadoran revolutionaries are keeping their military and political vitality in a growing state.

Plentiful resources, made available by the Pentagon, meant nothing to the army which tried in vain to recapture lost positions, using thousands of men, tanks, aircraft and heavy caliber artillery. The very capital of Morazan, San Francisco Gotera, was practically under continuous seige, while, according to other wire services, the insurgents kept the northern half of Chalatenango including six villages under their control.

A brief resume of guerrilla activities accounted for more than 300 losses to the regime and 107 prisoners, as well as the capture of 208 weapons and more than 60,000 bullets.

Despite such a favorable military situation, the Revolutionary Democratic Front and Farabundo Marti Front for National Liberation made public a 5-point proposal on Tuesday, the 26th, in order to have talks with the regime about getting out of the conflict by negotiations. On the official side,

the executive branch, the National Assembly and army representatives would participate in them, plus a group of upstanding national or foreign officers and witnesses who would mediate in that regard as agreed upon. At this gathering, all the problems which, if resolved, might lead to peace and social justice in the country would be looked into. All of this with the full participation of the different political economic, religious, social and labor union segments.

A hint of the regime's reply was not long in coming from the extreme Right leader, Robert D'Aubuisson, who, angrily, rejected all discussion, a thing all Christian Democratic spokesmen termed a very personal criticism by this leader. Behind such rejection, which would later also be the criticism of the regime, was the Yankee government which--according to spokesman John Hughes--the rebels should "renounce violence and become part of the political life."

Such a sarcastic response, of course, overlooked the very imperialist support itself, which is the cause of extreme violence and imposition of the criminal and discredited regime. If the FDR-FMLN in a favorable politico-military situation did make a proposal for dialoguing, this was a reliable example of the real desire for a solution which would avoid bloodshed and suffering in this small Central American nation.

This new rejection to dialog is nothing more than a sample of the politics of war and interference by Washington in Central America, followed placidly by the reactionaries that govern El Salvador, proof, on the other hand, that a general dialog means defeat of Yankee politics in this area of the continent and ultimately for the lackeys who prosper in the shadow of imperialism.

#### Worker Movement

Havana TRABAJADORES in Spanish 22 Nov 82 p 3

[Commentary by Arnaldo Morales Capo : "Latin America: There Will Be No Solution Without the Workers"]

[Text] Seemingly, 3 days' deliberations are not enough to tackle the complex problem that envelopes Latin America from an economic, political and social point of view, but what does, indeed, become evident is that the substantiality of the matter is so defined and that unionists recently met in Managua were able to make the position of the workers movement very clear in the current situation on the continent.

Union delegates from 23 Latin American countries, meeting in an extraordinary council, according to the session held by the Permanent Council for Union Unity of Latin American Workers (CPUSTAL), reiterated that, faced with the grave capitalist crisis, whose dramatic results are felt more forcefully in our countries, the workers will continue to confront local oligarchies as well as transnational enterprises in the defense and claim of their just rights.

A struggle against increasing unemployment, bankruptcies, closings of factories and other measures destined to place on the workers' backs, the main weight of the crises will keep union organizations in each country on the alert, transcending more than points of view and tendencies in order to give support to necessary unity and to plot dangers that hover over all.

The representatives of the Latin American workers movement evaluated the specter of the foreign debt of all the countries south of the Rio Grande. The mere \$240 billion seems totally insurmountable for the wrecked economies of our nations.

Joint negotiation of the debt owed the International Monetary Fund and the Inter-American Development Bank, both controlled by U.S. financial capital, also has to be a forceful demand by the workers movement.

Workers' unity, a keystone in the defense of workers' interests, must express itself on the national as well as the continental level. All participation by the Extraordinary Council of CPUSTAL was directed towards that necessity, because there is one reality today with which all workers identify independent of their affiliation: the fight against extortion by transnational enterprises and minimizing the consequences of the crisis.

In that spirit, CPUSTAL's call for unity covers a primary interest to which organizations of a national character should likewise be added, since the problems are the same and their cause has the same root: continuous exploitation to which our countries are subjected.

The 'Open Letter' agreed upon at the meeting in Managua and addressed to the Inter-American Regional Organization of Workers (ORIT), as well as the Latin American Workers Federation (CLAT), refers to the gravity of the economic situation, repression to which workers are subjected when they claim their rights, persecution and imprisonment of union leaders. For that reason it calls for unity of action and for facing up to those evils.

The struggle against the remains of colonialism on the continent, defense of peace and disarmament, as well as defense of sovereignty, are vital points in the Letter which also extends in invitation to the meritorious celebration of the Simon Bolivar Bicentennial, symbol of the longing for liberty and independence in our America.

An urgent and vital theme of this union meeting engendered support for the Nicaraguan people, to the workers of that brotherly country which today suffers the destabilizing action that the government in Washington promotes through armed raids and attacks from Honduran territory with the complicity of those who govern the latter nation.

Support to Nicaragua in the Sandinist revolutionary process is also support for the right of nations on this continent to their economic and political freedom. For that reason, the call for unity should have as a result the organizing of a powerful force, that of all workers on the continent which in a decisive way will influence the solution of problems affecting Latin America today.

## PAPER CALLS FOR IMPROVED SUGARCANE HARVEST

Havana TRABAJADORES in Spanish 17 Nov 82 p 1

[Editorial: "Let Each Mill Try To Emulate and Approximate The Best"]

[Text] The urgent need to make the coming sugar cane harvest the largest and most efficient of all that have taken place in our country gives strength to the appeal issued by our commander in chief, Fidel Castro, president of the Councils of State and Ministers and first secretary of the party's Central Committee, when summarizing in 1976 the harvest meeting in the old province of Las Villas: "Let every sugar mill try to emulate and approximate the best sugar mill."

When the milling begins in the provinces of Santiago de Cuba and Granma and with it the 1982-83 harvest, it is appropriate to remember this appeal and to ensure that the emulation, the driving force of production, will occupy from the first moment the topmost position it deserves in the arduous commitment at hand.

This appeal does not have a purely industrial implication, does not refer only to that aspect of the harvest, because at the mill, in the results of the milling, yield, recovery, saving of fuel and above all, the amount of sugar obtained, the effectiveness of the agroindustrial work in general is summarized, verified and measured.

In the speech we now recall, Fidel announced the prospective administrative centralization of the two basic activities and the establishment of agro-industrial complexes. These two organizational changes have been virtually achieved. "No man's land", the abyss where efficiency could be lost, has vanished.

The 1981-1982 harvest was a test, an anticipation of the consolidation of sugar-cane-related work in general, and was also a preamble to a qualitative step forward in our country's most important economic item. There is still a lot to be done; there is no cause to celebrate, to rest on ones' laurels, but it is a fact that the future of sugar production is bright, promising, independent of temporary climatic adversities, and even in spite of sugar's low prices.

The sugar cane worker is devoted; he reacts with more zeal the greater the obstacles he finds in his path. To his combative tradition he adds the consciousness of the leading role that history has accorded him in the building of Socialism's economic base. From this certainty he derives his great moral strength.

The low prices of sugar in the world market, the result of the anarchical and tottering capitalist economy, far from discouraging him, insufflates him with renewed vigor; he knows that the larger the sugar production, the smaller will be the consequences of the crisis.

Sugar is and will continue to be our principal export item. Work is done in perspective, thinking of the future. The crop is gathered and the 1984 sugar harvest is prepared. We do not think only of the immediate job, of the present harvest, but have learned to plan our actions so that all our present effort may be a foundation and a secure base on which to build, through tenacious and creative work, a strong and economically stable socialist society, a confirmation of the superiority of our system.

The sugar harvest that is starting will be tense and difficult. An extended drought hit the country during the crucial months for the cane and this has resulted in the lowering of the yield in some provinces. This makes it mandatory, today more than ever, to try to make the harvest as effective as possible.

The cane cutters are determined that all collectives, both manual and mechanized, will reach millionaire status, but this must be achieved without harming the quality of the raw material, without leaving tall stumps or sugar cane scattered over the fields.

At the closing of the Sixteenth Sugar Congress in October 1980, Fidel mentioned the need for reducing sugar cane losses in the fields.

Luis Martell Rosa, general secretary to the Sugar Union and member of the party's Central Committee, showed on that occasion figures indicating truly alarming losses. He took a group of ten as an example and pointed out that nearly 3,000 arrobas per caballeria were lost in the mechanized harvesting of green cane and 2,250 in the mechanized harvesting of cane that had been burned, 1,150 in the manual harvesting of green cane and 1,211 in manual harvesting of burned cane.

Although it is true that progress has been made in all aspects of the harvest, it is also true that in this sense not enough demands have been made.

Recently, during a full meeting of the emulation of the mechanized cutters of Havana, Martell stated that this year the union would be more vigilant than ever in ensuring that those who violate the technical norms are not rewarded, and that it would demand quality in the work.



It is necessary to recover that which is lost every year and make sure that the determination to turn all the collectives into millionaires does not boomerang.

The majority of items enumerated by Fidel at the Sugar Congress as precepts for the achievement of efficient work are completely valid today:

- Strict compliance with the starting program of the sugar mills.
- Strict compliance with the cane cutting program.
- Controlling and sanctioning of unplanned burning of the cane.
- Not to mill old sugar cane under any circumstances.
- To guarantee the quality of the sugar.
- To continue the saving of fuel.
- To mill at high volume, at full capacity.
- To reduce sugar losses.
- To observe strict operational discipline in the mills.
- Strict compliance with maintenance in the operation.
- To guarantee the basic critical replacement parts.
- To develop an aggressive policy regarding breakage.

During the awarding of flags to the cane cutters from Havana and Santiago de Cuba, Roberto Veiga Menendez, general secretary of the CTC (Central Organization of Cuban Trade Unions) and alternate member of the party's Politburo, noted the simile that exists between these ceremonies and the presentation of the combat flags to the militia of the Territorial Troops.

The union leader has pointed out the similarity of the objectives of these two armies, one a production army and the other an army of defense; both a guarantee of the historic continuity of the socialist fatherland.

In the same way that firmness, courage, decision, and the spirit of victory are common to both forces, the fighting spirit that our people would be able to exhibit in the face of the enemy will be matched by the offensive that the army of production will now mount against errors, deficiencies and disorganization.

There will be as many millionaire banners as there are cane cutters' collectives. The cane will arrive at the mill fresh and clean. The manufacturers will extract the maximum amount of sugar from the cane. The struggle for the reduction of costs will continue.

The Cuban sugar producers will respond once more to the infinite confidence that Fidel has in them and will produce the great and efficient harvest that is expected of them.

## REPORTAGE ON CPUSTAL ACTIVITIES, STATEMENTS

## Secretary Prieto Interviewed

Havana TRABAJADORES in Spanish 30 Oct 82 p 3

[Article by Arnaldo Morales]

[Text] On the occasion of a recent visit to our country to attend the Conference of the Directors of Latin American Trade Union Schools, Roberto Prieto, secretary of the Latin American Workers Permanent Congress for Trade Union Unity [CPUSTAL] spoke about preparations to celebrate the organization's General Extraordinary Council, which is to take place the 9th and 11th of next month in Managua, as well as about the current state of the struggle of the workers' movement on this continent.

"This is a moment of unity. of sharpened awareness, of solidarity, of understanding among the workers of our various countries," said the CPUSTAL leader, who went on to mention the current economic crisis of the capitalist system, which most severely affects the working masses.

Later, Prieto took up the theme of increasing unemployment, with its consequences of hunger and poverty for the people, and he spoke of how a tendency toward joint action and support for worker demands in every country and region is now taking shape. He also said that more and more workers and trade unions are aware of their role in the struggle against the economic crisis, a crisis intensified by the anti-people policies that American imperialism promotes.

An important topic that influences workers heavily, according to Prieto, is the current foreign debt of the Latin American countries, which will be a topic for discussion at CPUSTAL's Extraordinary council, given the gravity of the problem for the dependent countries' economies. "We all know," he specified, "that both the IMF and the IDB are financial institutions under the control of Yankee capital, which means that in renegotiating these debts, they will try to mortgage our nations even further."

He also pointed out that the workers' movement must exercise more influence in this area in order to achieve serious solutions. "Trade union organizations are more and more significant in Latin America, and no problem can now be solved without the cooperation of the workers," emphasized the CPUSTAL leader.

concerning celebration of the Extraordinary Council, Prieto underlined the fact that the meeting called in Nicaragua is a reiteration of support for the revolutionary process there, and for the selfless Sandinist fighters and their workers' organizations, at a time when the Reagan administration and the Pentagon are intensifying their counterrevolutionary campaign, to the point of including armed attacks launched from Honduran territory.

Expanding upon the Central American problem, Prieto expressed his support for Mexico and France's proposal to set up a dialogue to solve the area's problems. He also made reference to the struggle of the Salvadoran people who, in spite of United States intervention to maintain the reactionary regime there, continue to win new victories. He made similar statements concerning the Guatemalans and their confrontation with the genocidal regime of Rios Montt. "We are not insensitive to this situation," he added.

He also alluded to how the workers' movement in various Latin American countries is developing an important role in the achievement of a democratic renewal. "This entire struggle," he said, "is also linked to the confrontation with arrogant United States imperialism and with the arms race."

Before concluding the interview, Roberto Prieto said that CPUSTAL is holding this conference in order to better respond to the demands of workers for the defense of their freedoms and rights, in the midst of a difficult situation for America and the world at large, but a situation that also creates a juncture for exposing the precariousness of imperialism and its lack of credibility vis-a-vis world opinion.

In the midst of this situation, Prieto pointed out that a peak is being reached in the struggle for democracy and the national independence of our peoples. "The Managua conference," he said, "is a significant contribution to progress in this sense."

#### Central American Resolution

Havana TRABAJADORES in Spanish 13 Nov 82 p 3

[Text] The Latin American Workers Permanent Congress for Trade Union Unity [CPUSTAL] charged here that the possibility of armed conflict in Central America is growing dangerously, provoked by the United States.

The final resolution adopted by CPUSTAL's General Extraordinary Council says that an extremely serious situation has been created in this area by the "aggressive, bellicose orientation of Ronald Reagan and his sponsors among the military-industrial complex."

This alarming possibility, says the document as approved, has been reinforced by the Symms Amendment approved by the American Congress, which authorizes the use of any means against Cuba, Nicaragua, Grenada, and the guerrillas of El Salvador and Guatemala.

CPUSTAL has also condemned the "war-mongering project to create a military bloc in the English-speaking Caribbean with the cooperation of Great Britain.

The Council likewise denounced Washington for its actions to strengthen the armed forces of Honduras, "a country where some 4,000 counterrevolutionary troops receive training, and a country which carries out continual aggressive acts against Nicaraguan towns."

The Council adds that new evidence of this fact lies in the recent kidnaping of 42 Nicaraguan peasants and their removal to Honduras by counterrevolutionary bands operating out of the latter country.

"While the United States is strengthening Honduras's military forces, whose high command is responsible for anti-Nicaraguan activities based on Honduran soil, and who are sending troops to support the Salvadoran Army, the people of Honduras are mired in poverty and hunger," charges the document.

CPUSTAL's Council believes that United States exploitation of and pressure on Latin American countries, violations of democratic and labor freedoms and human rights, and the bellicose policy of Washington "are putting the peace of our continent and the world at large in jeopardy."

The Council denounced multinational businesses that took 32 billion dollars out of Latin America between 1970 and 1979 in the form of profits, while the combined foreign debt of our sub-continent reached the sum of 240 billion dollars in 1981.

In this regard, the Council agreed to begin a struggle for a broad moratorium on the foreign debt, and to promote unification of the various countries' debts, to be renegotiated without mediation and without intervention by the IMF.

Some of the other recommendations adopted by CPUSTAL's Council were reinforcing solidarity with the revolutionary struggles of El Salvador and Guatemala, continued support for the Cuban, Nicaraguan, and Grenadan revolutions, and fierce opposition to any attempted aggression against these nations.

The Council also agreed to begin seeking contacts with all sectors of the trade union movement, both at the national and the continental level, in order to study the feasibility of an international, unified, pluralist conference including all Latin America and the Caribbean countries.

9839

CSO: 3248/339

## PROGRESS IN PUBLIC HEALTH SECTOR DESCRIBED

Havana GRANMA in Spanish 22 Nov 82 p 4

[Article by Jose A. de la Osa]

[Excerpts] The relentless progress of the revolution continues, via the path of those who love and create, since its triumph in January 1959. And if steps are taken, as we intend to do, to take stock of some of its accomplishments in the health sector, it can be stated with not the slightest doubt that public health in Cuba has been mastered. The clearly stated principle in the Constitution that "all have the right to have their health taken care of and protected" and that "the state guarantees that right" is taken literally with renewed action every day. Thus is it reflected in the daily lives of all Cubans. Therefore, it is not necessary to juggle the figures: the figures themselves and, especially, the facts, speak eloquently for themselves.

We invite you to examine this brief account...

Life Expectancy: 73 Years Average

The progress which has been achieved in all social aspects since 1959—including employment for all, free and general education, equitable food distribution and advances in the health sector itself—have increased the life expectancy at birth from 62 years at the time of the revolutionary triumph to an average of 73 years for both sexes at present.

Moreover, the decrease in deaths from infectious diseases general affecting the young has changed our pattern of causes of disease and death.

When one has lived many years as in Cuba, other chronic diseases, particularly affecting older people, become more frequent, such as hypertension, cancer, arteriosclerosis, diabetes, cardiac infarction and cerebral thrombosis. These diseases are not prevented by vaccines but by sound living habits and hygienic measures. Many harmful habits favor the appearance of these diseases, and the worst among them are: smoking, obesity or overweight, and sedentary living or lack of sufficient physical exercise.

In accordance with these realities, the Ministry of Public Health, in cooperation with INDER [National Institute for Sports, Physical Education and Recreation], the Ministry of Education and other government and people's

organizations are engrossed in a program designed to educate the people with the aim of changing these harmful habits, for, only through educating and enlightening the people, can a solution be found and the people made aware of how much harm they are doing to their health through those noxious habits and how much they can prolong their useful life when they succeed in overcoming those habits. Not only is it important to live longer but also to live in a good state of health and with intellectual and physical independence for one's own sake.

#### Available Resources

	<u>1958</u>	<u>1 January 1982</u>
Polyclinics	--	390
Medical stations	--	212
Rural hospitals	1	52
Dental clinics	--	137
Beds for medical purposes	28,536	46,169
Homes for the elderly	20 (3,965 beds)	65 (7,500 beds)
Homes for the disabled	2 (300 beds)	14 (1,500 beds)
Blood banks	1	21
Medical colleges	1	11
Schools for technical education	6	64
Research institutes	--	12

#### Life Expectancy at Birth: 1950-1985

<u>Period</u>	<u>Life Expectancy</u>
1950-1955	58.8
1955-1960	61.8
1960-1965	65.1
1965-1970	68.5
1970-1975	70.9
1975-1980	72.8
1980-1985	73.5

#### Infant Mortality: 18.5

Care of the health of the mother and child has been a constant concern. Ever since the triumph of the revolution it has been clearly seen that no decrease in the problems of pregnancy or delivery and the health of the child could be obtained without careful attention to the mother during pregnancy through pre-natal consultations and that the deliveries should be made in hospitals with all conditions necessary to guarantee the health and life of the mother and child.

The following figures show what has been accomplished during the past years:

Deliveries in Hospitals

<u>1963</u>	<u>1970</u>	<u>1981</u>
63.2 percent	91.5 percent	98.9 percent

Maternal Deaths  
(per 10,000 live births)

<u>1960</u>	<u>1970</u>	<u>1981</u>
11.8	7.0	4.0

Infant Mortality

<u>1962</u>	<u>1970</u>	<u>1976</u>	<u>1980</u>	<u>1981</u>
43.6	38.8	23.3	19.6	18.5

During the past few years, medical services have continued to be improved through the training of a new specialist within the field of pediatrics, the neonatalist, a true expert in the afflictions and problems of the newborn during the first few days of life, and, as a result of direct orders from Fidel, intensive therapy services are being established in children's hospitals which formerly lacked such services throughout the country.

Vaccination

Systematic vaccination of the people throughout the country, with the participation of the people themselves, and programs for controlling and eradicating transmissible diseases where no vaccines are existent, have helped decrease illness and death from these causes during the course of the revolution:

<u>Deaths from:</u>	<u>1960</u>	<u>1970</u>	<u>1981</u>
Tetanus	310	81	9
Gastroenteritis	4,157*	1,510	343
Tuberculosis	1,050	622	120
Diphtheria	47	1	0
Syphilis	95	24	2
Measles	74	43	10

\*1962

As a whole, infectious and parasitic diseases accounted for 13.3 percent of the country's deaths in 1962. In 1981, they accounted for only 2.2 percent of the total deaths.

## 49 Million Medical Consultations in 1981

The natural increase in population and the better education the people have been receiving with regard to the care of their health are causing the demand for services to increase constantly from year to year. The revolution is responding to this demand with the creation of new services of every kind and the expansion and improvement of the existing services; this is not to mention the strengthening of the hygienic and epidemiological services, which has made it possible to take antiepidemic action more rapidly and efficiently as shown during the recent epidemic of hemorrhagic dengue, eradicated in a length of time which is a record for any country, as well as the reduction to a minimum quantity of the vector mosquito, *Aedes aegypti*, which we must continue to combat until it is eradicated.

The following figures show the increase in the number of consultations and admissions provided for the people:

	<u>1963</u>	<u>1970</u>	<u>1981</u>
Number of medical consultations	13,874,666	29,300,053	49,084,707
Number of dental consultations	700,812	3,673,694	10,512,170
Number of admissions to hospitals	706,347	1,073,439	1,358,547

## Training of Qualified Personnel

The training of qualified personnel in the health sector has been one of the most intensely pursued tasks since the triumph of January 1959. It is not just a matter of training doctors, of whom the revolution has graduated 16,017 between 1960 and 1981. It should be remembered that during all these years we have also been regularly training other types of medium-level technicians, including nurses and nurses' aides, x-ray technicians, clinical laboratory technicians, microbiologists, dieticians and others totaling more than 40 different types of technicians and amounting to 84,741 between 1960 and 1981. More than 4,000 per year.

The greatest number of these graduations was in the field of nursing, 18,938, and that of nurses' aides, 30,515.

Presently, with the establishment of polytechnic schools in the health sector in the provinces, we have reached a higher level of perfection, and thousands of students can be found in the classroom.

The training of doctors has been given great impetus through the establishment of new medical colleges in the provinces, better adaptation of the studies to our country's realities and to those of underdeveloped countries in general and the creation of the Carlos J. Finlay selective detachment which is paving the way for our country to become a world medical power.

## Objectives of the Ministry of Public Health for 1983

The general objectives of the Ministry of Public Health for 1983 include a plan of principal activities aimed at developing its work on an organizational and



functional basis in order to improve and expand its welfare medical services, with special attention to rural hospitals, both local and municipal; improve human relations jointly with the patients and family members; strengthen the political, ideological, disciplinary, vocational, academic, methodological, sports, recreational and cultural effort in the educational centers to achieve well-rounded training and maximum advancement with maximum quality; make the best use of the health facilities; put into practice and require adherence to health legislation; and develop the organizational structures of hygienic-epidemiological services.

The plan also includes establishing in all territories a model of medical care with regard to the community; improving the efficiency of the enterprise system of the medical-pharmaceutical industry; improving the system for administering and planning the economy; paying particular attention to the investment process; effecting better relations between political and people's organizations and scientific associations; assuring the fulfillment of international conventions and medical assistance; implementing and developing the cadre policy; generalizing and strengthening preparations for defense; continuing to improve labor discipline and the strict fulfillment of socialist legality; and being aware that all of the above are decisive elements and factors in making Cuba a world medical power.

#### Expression of Gratitude

We wish to express our gratitude for the valuable cooperation given us by the National Directorate of Statistics of the Ministry of Public Health and, more especially, to Arnaldo Tejeiro, D.Sc., adviser to that directorate, and to Dr Zoila Macias. We also extend our thanks to Juan Pablo Garcia, member of the central directorate of the Ministry of Public Health.

8568

CSO: 3248/362

## EDUCATIONAL OPPORTUNITIES OFFERED AT MILITARY SCHOOLS

Havana VERDE OLIVO in Spanish 21 Oct 82 No 42 pp 4-7

[Text] All young Cuban males meeting the established requirements may apply for FAR [Revolutionary Armed Forces] officer training in Military Training Centers and, upon conclusion of such studies, shall receive the rank of lieutenant and a diploma accrediting their level of secondary military instruction and higher general education (engineer or licenciado).

In our country, there are currently six upper-level Military Training Centers in which officers are trained for the FAR at the upper secondary level.

Upper Level: General Antonio Maceo Interservices School; General Jose Maceo Interservices School, Santiago de Cuba; Major Camilo Cienfuegos Artillery School of the FAR; Military Technical Institute; Naval Academy of the Revolutionary Navy; School for Communications and Chemical Warfare Forces of the FAR.

In these centers, young men take courses in the basic sciences, social sciences, general engineering and the particular military aspects of their specialties.

Depending on their vocation, young men can choose the specialty which they will study in the areas of: Leadership: applied engineering in different specialties with a 4-year curriculum; Policy: degree in social sciences with a 4-year curriculum; Engineering: engineers in various specialties with a 5-year curriculum.

Upper Secondary Level: DAA [Antiaircraft Defense]-FAR Technical School; Military School for Aviation Pilots.

Depending on the studies completed, the cadets (midshipmen) graduate as commanders of small units or the equivalent and specialized engineers in Ground Forces, Antiaircraft Defense (DAA-FAR) and the Revolutionary Navy.

The Military Training Centers have basic educational plants with facilities for the classes and research activities of the cadets (midshipmen), including special lecture halls, laboratories, firing ranges and study areas. They also have various sports installations, theaters, libraries, residence halls, study halls and other facilities for the staff's recreational and teaching activities.

Who is entitled to enter the Military Training Centers? Graduates of the Camilo Cienfuegos Military Schools; graduates of centers of higher secondary education (Preuniversity and Technological Institutes); soldiers, sailors, sergeants and noncommissioned officers in General Military Service [SMG] with no less than 1 year's service in the FAR.

Officer training candidates are given a Medical Committee examination to determine their physical fitness and health.

Channels for applying for entrance to Military Training Centers are: through the directors of the Camilo Cienfuegos Military Schools or Preuniversity and Technological Institutes; through the national and provincial Society for Patriotic-Military Education (SEPMI); in the case of soldiers, sailors, sergeants and noncommissioned officers, through their respective commanding officers or substitutes for political work.

Entrance Requirements: Approval of higher secondary education; mental and physical fitness; no more than 26 years old in the case of noncommissioned officers; at least 17 years old and no more than 21 years old in the case of civilian youths; no more than 25 years old in the case of sergeants and soldiers in the SMG or reenlistment service; single; men only.

Graduates of Military Training Centers have unlimited possibilities for development in the FAR and, depending on the work they do in the posts to which they are assigned, they can apply for courses taught at the General Maximo Gomez Academy of the FAR or in the USSR and acquire a higher level of military training. They then have the possibility of obtaining scientific degrees in their respective specialties.

FAR members carry out varied, complex tasks and are appreciated by the party, the government and society, which give attention to the establishment of living and working conditions in keeping with the responsibilities of those undergoing training and serving as loyal defenders of the country and socialism.

Young men wishing to obtain more detailed information about a particular Military Training Center and the specialties offered there can send this form to that center. The information requested will be sent by return mail.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

I WOULD LIKE INFORMATION ABOUT THE FOLLOWING SPECIALTY: \_\_\_\_\_

General Antonio Maceo Interservices School

This center, established in February 1963, has full experience in FAR officer training and also has a long tradition of organization and discipline which

make it a fine institution dedicated to the full preparation of our young men for life and for defending the achievements of socialism. Officers are trained in the following specialties:

4-Year Curriculums:

1. Tactical Command of Motorized Infantry Forces (automotive operations engineer).
2. Tactical Command of Tank Forces (tank operations engineer).
3. Military Policy of General Forces (degree in social sciences).
4. Tactical Command of Engineering Forces (engineering machinery operations engineer).
5. Tactical Command of Automotive Forces (economic planning engineer for military transport).
6. Tactical Command of Troop Food Supply (economic engineer).
7. Tactical Command of Troop Clothing Supply (economic engineer).
8. Tactical Command of Fuel.
9. Tactical Command of Military Intelligence (military operations engineer).

5-Year Curriculums:

10. Tanks and Transport Engineer (military mechanical engineer).
11. Mechanical Weapons Engineer (military mechanical engineer).
12. Fortifications Engineer (building engineer).

Address of Military Training Centers:

General Antonio Maceo Interservices School  
P.O. Box 1  
Caimito, Caiba del Agua, Havana Province

General Jose Maceo Interservices School

Located on the El Caney road, Santiago de Cuba, the General Jose Maceo Interservices School has qualified, experienced instructors.

Before it was an interservices school, the General Jose Maceo School successfully trained hundreds of auxiliary officers and command cadres for the Territorial Troop Militias of the Eastern Army.

The following specialties are offered at this Military Training Center:

4-Year Curriculums:

1. Tactical Command of Motorized Infantry (automotive operations engineer).
2. Tactical Command of Tank Forces (tank operations engineer).
3. Tactical Command of Ground Artillery (weapons operations engineer).
4. Tactical Command of Engineering Forces (engineering machinery operations engineer).
5. Military Policy of General Forces (degree in social sciences).
6. Tactical Command of Military Intelligence (military operations engineer).

Major Camilo Cienfuegos Artillery School of the FAR

Located at the exit of the Havana Bay tunnel, in the former La Cabana Fortress, this Military Training Center was founded in September 1961 and has more than 20 years' experience in FAR officer training. The following specialties are offered:

4-Year Curriculums:

1. Tactical Command of Ground Artillery (weapons operations engineer).
2. Tactical Command of Sonic and Optical Radiolocation (radiotechnology operations engineer).
3. Ground Artillery Forces Policy (degree in social sciences).

5-Year Curriculums:

4. Military Engineer in Ground Artillery Weaponry.
5. Military Mechanical Engineer in Munitions.
6. Military Geodesic Engineer.
7. Phototopographical Engineer.

Address of Military Training Center:

Major Camilo Cienfuegos Artillery School of the FAR  
P.O. Box 7034, East Havana  
City of Havana

## Military Technical Institute

The Military Technical Institute is located at Avenue 45 and 66-A, Municipio Playa, P.O. Box 6, in the city of Havana. It was founded in February 1967.

Its basic educational plant, combined with 15 years' experience in training officers, enables it to impart sound knowledge to the young men trained there.

The following specialties can be selected at the Military Technical Institute:

### 4-Year Curriculums:

1. Tactical Command of Aeronautical Radiocommunications Media.
2. Tactical Command of Antiaircraft Artillery.
3. Tactical Command of Special Radio Media.
4. Military Policy of DAA-FAR Forces (degree in social sciences).

### 5-Year Curriculums:

1. Antiaircraft Missiles Control Station Engineer (radio engineer).
2. Engineer for Guided Antiaircraft Missiles and their Ground Installations (radio engineer).
3. Radiolocation Station Engineer (Radar) (radio engineer).
4. Radioelectronic Aviation Equipment Engineer (radio engineer).
5. Aeronautical Radiocommunications Engineer (radio engineer).
6. Automated Electronic Aviation Equipment Engineer (automated electronics engineer).
7. Electric Power Supply Engineer (electromechanical engineer).
8. Engineer for Technical Security of Airports, Gas and Electricity (electromechanical engineer).
9. Aviation Weaponry Engineer (electromechanical engineer).
10. Aviation Fuselage and Engines Engineer (mechanical engineer).
11. Automated Command and Information Systems Engineer (mathematical engineer).
12. Antiaircraft Artillery Weapons Engineer.

## School for Communications and Chemical Warfare Forces of the FAR

The School for Communications and Chemical Warfare Forces of the FAR, located on Managua road, Four Highways, Havana Province, has a modern basic educational plant and facilities as well as a highly qualified teaching staff with more than 15 years' experience in officer training, making it possible to provide solid knowledge in the specialties offered at this center:

### 4-Year Curriculums:

1. Tactical Command of Communications Forces (radiocommunications operations engineer).
2. Tactical Command of Communications Forces (radiolocation, telephony and multichannel telegraphy operations engineer).
3. Tactical Command of Chemical Warfare Forces (operations engineer for chemical warfare forces and protective measures).

### 5-Year Curriculums:

1. Radiocommunications Engineer (military radiocommunications engineer).
2. Chemical Warfare Forces and Protective Measures Engineer (military chemical engineer).

### Address of Military Training Center:

School for Communication and Chemical Warfare Forces  
P.O. Box 8  
San Jose de Las Lajas, Havana Province

### Naval Academy of the Revolutionary Navy

The Naval Academy is located in Santa Fe, east of the city of Havana. This center began training officers for the Revolutionary Navy in 1959 and has accumulated vast, fully recognized experience.

At the Naval Academy, future officers are trained in the following specialties:

Naval Commanders (High-Seas Pilot):

Naval Navigational Engineer.

Naval Electromechanical Engineer in Artillery and Rockets.

Naval Electromechanical Engineer in Mines, Torpedoes and Antisubmarine Weaponry.

Machinery Officers:

Naval Mechanical Engineer.

Naval Electrical Engineer.

Electronics Officers:

Naval Radiocommunications Engineer.

Radioelectronic Weapons Engineer (Radar).

Address of Military Training Centers:

Naval Academy of the Revolutionary Navy

P.O. Box 16009

Beach, City of Havana



I Yo First and Last Name hereby request  
Nombre y apellido Solicito por este medio  
admission to Training Center (first choice) for the purpose  
mi ingreso a Centro de Enseñanza (1ra. opción) con el propósito  
of being trained as an officer of the Revolutionary Armed Forces to defend  
de prepararme como Oficial de las Fuerzas Armadas Revolucionarias para defender la Patria  
the socialist heritage and the achievements of our Revolution.  
Socialista y las conquistas de nuestra Revolución.

Calle: Street:	No.:	Apt.:	Entre: Between:	Barrio: District:	Municipio: Municipi- pality:	Provincia: Province:
Personal Data			Dirección particular			
Telephone #	Date of Birth	Age	Civil Status	UJC	CDR	FMC
Teléfono	Fecha de nacimiento	Edad	Estado civil	Organizaciones a que pertenece		
SMG Reg. #		Member of Which Organizations				
Military Committee	No. inscripción SMG	Educational Center	Municipality	Province		
Comité militar		Centro de estudios	Municipio	Provincia		
School Level	1st Year	2nd Year	General	Tenth	Eleventh	
	1er año	2do año		Décimo	Once	General
Nivel escolar	Promedio si cursa Politécnico			Promedio si cursa Pre-Universitario		

Average if Polytechnical Course Average if Preuniversity Course

### ESPECIALIDADES QUE ME GUSTARIA ESTUDIAR

(Relacionarlas en orden de prioridad)

Specialties I Would Like to Study (List in Order of Priority)

#### ESPECIALIDAD

#### CENTRO DE ENSEÑANZA

(Donde se estudia la especialidad)

Specialty

(Where Specialty is Offered)

1ro. \_\_\_\_\_  
2do. \_\_\_\_\_  
3ro. \_\_\_\_\_  
4to. \_\_\_\_\_  
5ta. \_\_\_\_\_  
6ta. \_\_\_\_\_  
7ma. \_\_\_\_\_

Data on Father or Guardian  
Datos del padre o tutor

Name	First Last Name		Second Last Name		Age
Nombre	Primer apellido		Segundo apellido		Edad
Calle: Street:	No.:	Apt.:	Entre: Between:	Barrio: District:	Municipio: Municipi- pality:
Personal Data			Dirección particular		
Work Center	Position	PCC	CTC	CDR	DC
Centro de trabajo	Cargo	Organizaciones a que pertenece			
Address of Work Center		Telephone			
Dirección del centro de trabajo		Teléfono			

Data on Mother  
Datos de la madre

Name	First Last Name		Second Last Name		Age
Nombre	Primer apellido		Segundo apellido		Edad
Calle: Street:	No.:	Apt.:	Entre: Between:	Barrio: District:	Municipio: Municipi- pality:
Personal Data			Dirección particular		
Work Center	Position	PCC	CTC	CDR	DC
Centro de trabajo	Cargo	Organizaciones a que pertenece			
Address of Work Center		Telephone			
Dirección del centro de trabajo		Teléfono			

## BRIEFS

KAMPUCHEAN AMBASSADOR--Long Visalo, ambassador from the People's Republic of Kampuchea in our country, gave a press conference in the course of which he denounced maneuverings of the ruling clique in Peking leading to the defeat of the legitimate government of the Kampuchean people. Peking, he said, seeks again to commit genocide on Kampuchea, saved only 3 years ago from total annihilation by petty leaders of the Pol Pot-Ieng Sary-Khieu Samphan regime which assassinated more than 3 million citizens. After the Pol Pot failure, Peking turned to the task of reviving "Prince" Norodom Sihanouk and placing him at the head of the so-called coalition government which joined up with the discredited former governing official, today a resident of Beijing along with remotely connected executive leaders of massive assassinations, Pol Pot and Ieng Sary. The Kampuchean diplomat also revealed the direct participation of Deng Xiaoping in the misdemeanors against his country and the interview the Chinese leader had with Ieng Sary, as well as the offer of \$5 million (U.S.) made by the Chinese to Pol Pot to use in any way he wanted. Long Visalo also revealed Thailand's participation in counterrevolutionary Pol Pot-type gangs against the Kampuchean people. Moreover, he showed photos placed in a folder that show Chinese maneuvers.

[Article by Rolando Meneses] [Text] [Havana GRANMA in Spanish 10 Nov 82 p 3]  
9908

CSO: 3248/346

## CUSTOMS OFFICIALS TRY TO STEM ILLICIT FOOD EXPORTS

Quito EL TIEMPO in Spanish 24 Nov 82 p 12 A

[Text] Before long, both Ecuadoreans and Colombians will be without supplies of food.

A high percentage of the food products being taken toward the northern border are properly registered by permits granted by the offices in Quito and Ibarra of the Ministry of Agriculture and Stockraising. This situation hampers severely the ability of customs officials to control the outflow of food products, although there have been great increases in the amounts of food confiscated by customs units.

## First 10 Days of November

In the first days of November along, the following amounts of these products were authorized for clearance through customs: 1,515 quintals of wheat for the Inguienza Mill and 5,140 for the San Luis Mill, which have apparently raised their production quite markedly or else there is leakage to the other side of the border; 2,600 quintals of beans, 13,500 chickens, 2,671,600 eggs, 810 quintals of sweet corn, 4,260 quintals of balanced feed, 861 quintals of rice and 418 quintals of sugar.

## October

During the previous month the following amounts were passed through at Yaguarcocha: 19,919 quintals of beans, 1,830 quintals of corn, 16,210 fowl, 3,880 quintals of mixed grain, 15,970 quintals of wheat, and 2,429,660 eggs, along with other products.

The approximate totals of merchandise confiscated at Yaguarcocha during September reached 73,336,598 sucres; during October the total was 13,230,000 sucres, and during the first 18 days of November the total was 9,290,336 sucres.

Our customs service has been held in extremely low esteem for many years because of the role of political influence in its operations. Many adverse reports may be well founded, but exaggeration also has played an important part in discrediting the customs service. Contraband becomes authorized in one way or another as the result of influence peddling and bribery, which have been detected in all the ports and frontiers of the nation. The outflow

of food products resulting from certain economic measures, such as devaluation, has aggravated the problem seriously and today many Colombians, at any time of day and on all days of the week, are buying in our market and obtaining products at low prices, owing to the recuperation of the peso's buying power. Also, treaties in effect between the two nations authorize passage across the border for what is termed the "family market basket," worth up to 10,000 sucres. This provision is not properly regulated, and as a result an individual can cross the border with as many baskets as desired, as long as only one is taken across at a time.

#### Smuggling Ant-Style

The vast expanse of territory, the short-cuts and veritable labyrinths which the customs service must oversee, make it impossible to control this new method used by the hundreds and even thousands of persons crossing the border clandestinely at all hours of the day and night. In fact, this is a new occupation for persons on both sides of the border.

The contraband problem, which exists at the borders of almost all nations, has never been easy to solve. In respect to economics, nations, especially neighboring ones, resemble connected containers, with an oversupply in one flowing to the other when there is a shortage. Until a short time ago, contraband went from Colombia to Ecuador. Today the reverse is true, and it seems there is no solution in sight. It is possible that measures relying on police action or customs controls have never brought the desired results.

"Border prices" have been set for products, in many cases even by businesses or governments, precisely to stimulate sales there to the detriment of neighboring markets. With all the problems which have arisen, Tulcan has taken a new role, with business activity booming in an incredible fashion, while Ipiates, which had been flourishing, has begun a struggle for its life. Its streets are practically abandoned, with some businesses closed and others heading inevitably toward bankruptcy. Ecuadoreans, formerly the most enthusiastic visitors in Ipiates, have abandoned it because now everything is more expensive there.

The flight of our food products from the country now and in the future can have unsuspected consequences of the most serious nature, because the amount we produce has not risen to levels sufficient for our own needs and still less is there enough to supply our sister nation Colombia. As the governor of El Carchi said, we should set about achieving a real and effective increase in our production, at least along the entire northern border, because if we do not do this soon, there will not be food for Ecuadoreans or Colombians either.

11,989  
CSO: 3348/134

## FRA ASSEMBLY ELECTS LEADERS, BLAMES GOVERNMENT FOR CRISIS

Quito EL TIEMPO in Spanish 24 Nov 82 p 5 A

[Text] Guayaquil (AEP)--The National Assembly of the Alfarist Radical Front (FRA), which was held on 20-21 November in the city of Machala, re-elected Cecilia Calderon de Castro as its national director for a period of 2 years. The convocation blamed the Popular Democracy Regime, its associates and the National Chamber of Representatives for the nation's economic crisis, which is considered so serious that it could bring about an internal social disintegration with immeasurable repercussions. Therefore it was agreed to maintain a radical public prosecutor's office to monitor the government's actions.

Likewise, the Assembly approved the platform which FRA will propose to the Ecuadorean people, highlighting among the fundamental elements the decision to raise national production and to abandon the harsh economic system imposed by the dictatorial regime and maintained by the present government, a system which has made Ecuador more dependent on multinational corporations and made it harder for the nation to raise capital. The new system allows for strong stimulation for agriculture and a change of approach toward imports.

In addition, FRA believes that the production policy should combine with the monetary policy, which in turn should tend to produce internal monetary stability when the sucre is used to buy rice, potatoes, meat and corn, rather than when the sucre is used to buy dollars. Therefore FRA supports a modification of currency exchange policies toward stabilizing our situation regarding balance of payments.

In the economic realm, FRA's resolutions are founded on the governmental plan of Abdon Calderon Munoz, which contains important reforms which the other parties are just beginning to discuss. Also, in the social area the basis of the party's position is stated regarding education toward better preventive health care through measures to provide healthy living conditions and access to housing for persons without funds.

It was reported also that approval was voted for other resolutions of great national importance. This shows that Ecuadoreans should feel faith and confidence in the ability of certain political parties to develop solutions

to the problems afflicting the nation. With the example of FRA, citizens will begin to see political parties as serious institutions, capable of organizing public consciousness toward selecting for national leadership the most capable Ecuadoreans committed to the struggle for a future free from poverty.

11,989  
CSO: 3348/134

REPORTERS 'KIDNAPED' BY M-19 APPEAR IN QUITO

Quito EL TIEMPO in Spanish 24 Nov 82 p 1 A

[Text] Everything seems to indicate that a unit of the Colombian guerrilla movement called M-19 has extended its operations into Ecuadorean territory, because there is no other explanation of how two Colombian reporters, who were "kidnaped" in Colombia last Friday, turned up in Quito.

Both men declined to explain how they came to Quito; they left the city on an Avianca flight at 1400 hours, after having stayed at the Colombian Embassy for more than 2 hours.

Juan Guillermo Rios, a reporter for the Caracol radio network, when asked about his presence in Quito, told Caracol that the story of his kidnaping "was a fabrication."

Visibly nervous, he declined to state anything further to the press, apparently on direct orders of Colombian authorities. A member of that nation's diplomatic delegation blocked all access to the journalist.

The other Colombian newsman, Julio Sanchez, a cameraman for a television network, said he was brought from the northern part of the country and not kidnaped--instead, "the high command of M-19" had invited them for a discussion. This individual also was extremely brief in his comments.

Interrogation

In the passenger area enroute to where they were introduced, the two newsmen were interrogated briefly by Ecuadorean political security detectives and then left the Avianca plane immediately.

Message to Betancur

The Journalists, according to the international cable from Bogota, were "invited" by a M-19 unit so that communication could be established through them with President Betancur on the amnesty declared by Colombia's government in favor of armed rebels in that nation.

The press release states that Juan Guillermo Rios had a letter to Colombia's president from Jaime Bateman Cayon, head of the M-19 movement, replying with new proposals for amnesty.

The guerrilla chief says it is necessary to declare an armistice for 120 days, during which time the movement will evaluate the government's actions toward social change which have been proposed for the benefit of the Colombian people.

#### Official Secrecy

Regarding the release of the newsmen and their appearance in Ecuador there was total silence from the government. All the official sources consulted refused to make any statement on the matter.

The presence of Colombian guerrillas on Ecuadorean territory has been reported on various occasions.

It is believed that guerrillas began action in Ecuador when a group of rebels were captured in February 1980 in San Lorenzo, Esmeraldas Province, and returned to their country, but others scattered through various parts of southern Colombia, where they operate, and set up bases for operations in some parts of Ecuador, such as Putumayo.

According to other sources, the kidnaped newsmen had been set free in Carchi Province. Still others stated that they had arrived in Quito guarded by a group of guerrillas, who disappeared immediately.

11,989

CSO: 3348/134



## ATTEMPT TO TURN CARICOM SUMMIT AGAINST GRENADA FAILS

St Georges FREE WEST INDIAN in English 24 Nov 82 p 4

[Editorial: "Reaction Defeated"]

[Text] THE Caricom Summit is now history. The respective Caribbean leaders should, by this time, have reported on the home front, all that had taken place at the meeting.

The attempts by the forces of reaction to turn the summit into an anti-Grenada conference, by pressing for the issues of elections and human rights to be somehow enshrined in the Caricom documents, have failed miserably.

The frontal and principled stance of the Grenadian delegation at the summit, led by Prime Minister Maurice Bishop revealed the honesty and sincerity of the Grenadian leadership. Grenada had nothing to hide at the summit. The revolutionary process is what motivates the progress which Grenada has made since 1979, progress that stands as evidence of the correctness of the path being followed.

The principled and fearless position of Grenada at the summit was the undoing of the forces of reaction. In particular, two Caribbean leaders were exposed for what they truly are, and what they represent -- the interest of the mighty US dollar -- to which tune they jump and skip at all times.

The summit also exposed the fact that some of the region's leaders do not themselves understand the meaning of democracy. Small wonder then, that they continue to carry on "mock" elections ever so often, much to the agony and at the expense of they very own masses.

One noteworthy aspect of the Caricom summit was the fact that there were some leaders who

understood why they had gone to the summit, who had recognised that the primary concern of the summit must be to find solutions for the basic needs of the masses of the respective countries.

These leaders had gone to Jamaica, with the intention of promoting the cause of the Caribbean people. Identifying the development strategies most suited and beneficial to the region as a whole, was also a primary concern of these leaders, as also was the general well-being of the Caribbean people.

Food, clothing and shelter, and the right to a decent job with decent wages, were recognised by some Caricom leaders, as being of more importance than whether or not a country had elections. The fundamental right to life was recognised as being of primordial importance. Development was seen as being concerned with people, for they are the main agents of the process of development itself.

The fourth Caricom summit is scheduled to take place in Trinidad next year. No doubt, those regional leaders paid to dance to the "pied piper" would come shamelessly to that summit with new proposals and new strategies. Once more they must echo the sentiments of their major financial supporters over and above the views and wishes of their own masses. For as yet these leaders will not have introduced the components of democracy. They will not move to being responsible, nor be accountable to their masses. Neither will they introduce the mechanisms necessary for facilitating optimal participation by the masses in the decision-making process. Finally, they will not bring genuine benefits to their people. These leaders are unable to be truly democratic, for such a process would expose them thoroughly.

CSO: 3298/206

## BRIEFS

FOREIGN MISSIONS' ASSOCIATIONS--St. George's, Fri., (Cana)--Heads of the four foreign missions here have launched Grenada's first Diplomatic Association, mainly to organise social activities for their embassy staff and families, a Government statement said today. The association's membership is drawn from the staff at the Cuban, Libyan, Venezuelan and Soviet Embassies in St. George's. Representatives of international inter-governmental agencies here are also members. Libyan Ambassador, Abdullah Attir, was elected president at the first meeting last week. Romulo Nucete, Charge D'Affaires at the Venezuelan Embassy, is vice president, Mrs Angela Smith, Honorary Consul of Sweden, is secretary, and Todd Payne, head of the Organisation of American States' local office, is treasurer. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 27 Nov 82 p 5]

CSO: 3298/206

## REPORTAGE ON SINGLE ASSEMBLY ISSUE STANDS

## Senate View

Pointe-a-Pitre FRANCE-ANTILLES in French 4 Nov 82 p 12

[Text] It was a totally different text from the government bill on decentralization of the DOM [overseas departments] which the Senate passed Tuesday night by a vote of 193 to 107. The left (PC and PS) voted against what it called an "unnatural" bill, a "counterproposal draining the government's text of its substance."

The Senate maintained the departmental assembly in its current form in Martinique, Guadeloupe, Reunion and Guyana, therefore keeping the general council members regularly elected on 14 and 21 March in their posts until the legal expiration of their terms. It also passed an amendment providing for the application of common law to regional assemblies.

When it is a matter of the overseas departments, positions are always hardline and the debate heated. This session was no exception to the rule and until the end, discussions were lively, even violent.

## Violation of the Constitution

"You fight like madmen to keep your privileges," the left told independent and RPR senators from the DOM. "By putting an early end to the terms of regularly elected officials, you are violating the constitution," members of the Senate majority replied.

"Never in the history of the republic has the law terminated the terms of regularly elected officials, unless they were unable to perform their duties, which is not the case of the DOM," claimed Rene Monory (centrist, Vienne).

"What other reason would there be for this bill than that you cannot take power by other means? There will no longer be any departments over there and that is the precedent awaiting us in the mother country. Everything becomes possible when that is allowed to happen and that is why I shall vote against the bill."

For his part, Georges Repiquet (RPR, Reunion) said: "Whatever the case, you know that your policy is rejected in Reunion. Is imposing it socialist

democracy? It is amusing to classify some French people separately. Let it be known that in the DOM, people are French first and socialist second. In fighting your bill, it is the national identity that I am defending."

#### Dangerous Bill

"During the debate, you have shown your impatience, Mr Secretary of State, but how could debate on such a subject fail to be passionate? How could Martinique not be distrustful when it recalls that in 1972, you joined with your communist ally of today and yesterday in signing a joint program whose Chapter 6 classified the DOM among the foreign countries?"

At the end of the evening session, Roger Romani would state that the government proposal was dangerous because it inherently contained the seed of secession.

For the left, Raymond Tarcy (PS, Guyana), accused the former national majority of all the sins of colonialism, while Marcel Gargar (PC apprentice, Guadeloupe) approved with both his voice and hand votes.

"There you have the local elected officials from the DOM, finally considered to be of age and responsible," declared Georges Dagonia (PS, Guadeloupe), while Michel Dreyfus-Schmidt (PS, Belfort) recalled that the bill was in a straight line with the 110 proposals made by candidate Francois Mitterrand, which brought this acerbic remark from Jacques Larche (independent, Seine et Marne): "If the government implements the 110 proposals, that is its right, but I would like to know which one contains the price and wage freeze; the 111th, perhaps."

Secretary of State Henri Emmanuelli, who throughout the debate regularly pointed out that words were constantly attributed to him that he had not spoken, said after the discussion on the articles that "the bill goes in the right direction."

"The history of our republic demonstrates that overseas, the worst possible solution is immobility," he said.

#### Main Amendments

Pointe-a-Pitre FRANCE-ANTILLES in French 4 Nov 82 p 12

[Text] The following are the main amendments made by the Senate in the bill passed by the National Assembly, a bill which also involves a number of passages removed:

Article 1. The purpose of this law is to adapt to the departments of Guadeloupe, Guyana, Martinique and Reunion, which are and will remain an integral part of the republic and the French nation [sic].

Article 3. The affairs of the department are settled by the General Council. The affairs of the region are handled by the Regional Council.

The general councils of the overseas departments are made up of 36 members in Guadeloupe, 16 members in Guyana, 36 members in Martinique, 36 members in Reunion, elected by cantons in keeping with the provisions contained in Articles L. 191 and L. 192 of the Election Code.

The regional councils of the overseas departments are made up of 51 members in Guadeloupe, 31 members in Guyana, 51 members in Martinique and 61 members in Reunion.

Article 7. The departmental institutions and the operation of the general councils of the overseas departments are governed by provisions applicable to the general councils of the mother country.

The operating rules of the regional councils in the mother country are applicable to the regional councils of the overseas departments.

Article 9. The economic and social committee is consulted in advance by the regional council on the drafting of the Economic, Social and Cultural Development Plan of the Region, on drafting and execution of the National Plan for the Region, on the distribution and utilization of government credits earmarked for investments of regional interest, and on the general orientations of the proposed regional budgets.

Article 14. Until publication of the law establishing the rules for election of the members of the regional council, the regions of Guadeloupe, Martinique and Reunion remain public establishments whose members are appointed under the conditions provided by Article 20 of Law 72-619 of 5 July 1972 concerning the establishment and organization of the regions.

Article 15a. Conditions of eligibility, ineligibility and incompatibilities that will be defined for regional council members in the mother country will apply to regional council members of Guadeloupe, Guyana, Martinique and Reunion.

In these departments, the posts of regional council members will become incompatible.

#### ADIGA Position

Pointe-a-Pitre FRANCE-ANTILLES in French 4 Nov 82 p 12

[Text] President of the Association for the Defense of the General Interests of the Antilles (ADIGA), Georges Nicolo, technical engineer, has sent us Letter No 9 put out by the Nogent-sur-Marne Association.

While some may believe that Nicolo also gets involved in legalism -- how is one to avoid it when it is a matter of studying legal texts and legislating at the same time -- he nevertheless deserves credit for analyzing a problem too rarely taken up, that of the consequences of independence on the life of natives of overseas departments living in mainland France.

Our fellow countryman goes even further, not hesitating to accuse those in our government of trying to "unilaterally impose independence on our people."

To be perfectly clear, Nicolo believes that "through election maneuvering, those in power turn their own will -- that of the socialist-communist coalition -- into the people's will, so that they bear no future responsibility to public opinion for the consequences of the contrived independence granted."

In order that public opinion be fully conscious of what is proposed, some will say about what is to be imposed through a national assembly with a comfortable majority that dictates its choices that it is objective and logical for a pluralism of opinions to exist.

This point of view will therefore constitute one more contribution to the broad debate that will continue until the election, which so-called informed sources announce for February 1983.

#### Sovereign Will of Overseas Peoples

"As one could have expected, in application of Decree No 60-406 of 26 April 1960, a secretary of state has taken illegal advantage of the August lethargy to request, in his own draft law in 40 articles -- using the pretext that the blessing which that draft allegedly received from certain important government officials turned it into a bill -- the opinion of the general councils in the four former overseas departments.

Likewise, in the guise of national legitimacy, the Executive Branch has abused the emergency procedure, shrewdly and illegally taking advantage of the special session of Parliament to submit for the exclusive examination of the National Assembly a bill in 20 articles which, in contrast with the previously mentioned draft law, respected neither the provisions of Articles 30 and 31 of the Assembly's bylaws nor those of the above-mentioned decree. For it is essential to the Executive Branch and its partisans to impose on these territories the unilateral socialist-communist solution that is fatal to their freedom and survival. For them, it is a matter of bringing about a set idea: their release.

Actually, since 1972, the socialist-communist coalition, supported by some leftist radicals, has used, after every manifestation of hostility on the part of the great majority of the peoples involved against the independence imposed on their respective countries, a neologism to label the next and same solution (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and so on).

In this connection, the convergence of their simultaneous actions is eloquent. The vagueness of their remarks triumphs over the essential core of the problem posed and the duplicity of intellectual honesty. Government whim or subjectivity win out over the sovereign will of the peoples in the overseas departments and the "castle," the French Republic.

Four examples are enough to convince anyone trying to doubt the objectivity of my remarks:

1 -- A semi-ministerial draft bill, which became a bill only because of the blessing of certain individuals in the government, nullifies the constitutional provisions to which its author must confirm.

2 -- The presentation of the reasons for the original bill falsifies the provisions of Law No 46-451 of 19 March 1946.

3 -- Article 14 of the original bill geographically situates the overseas departments in the Mediterranean, particularly in Corsica, and curiously makes them subject to the provisions of Law No 82-214, thus revealing a number of aberrations such as (13):

One of the two representatives of the government in the region of Corsica intervenes in the case of ineligibility of the members of the regional and general councils of the overseas departments (Article 8).

The declaration of candidacy of each list of candidates from the overseas departments results from the filing with the representative of the government in one of the two departments of Corsica (Article 12)!

A representative from each list must pay to the chief treasurer and paymaster of one of the two departments of Corsica, acting as the official of the Deposit and Consignment Fund, a security deposit of 30,000 francs (Article 14)!

The stations of the Public Television and Radiobroadcasting Service are to be made available to the lists from the overseas departments (Article 18)!

The Voting and Census Control Commission of the overseas departments is responsible for assisting the two government representatives in the two departments of Corsica in exercising the powers they derive from Articles L38 and L39 of the Election Code, in order to ensure the regularity of the election lists in the overseas departments (Article 23), and so on!

4 -- The bill submitted for examination by the Commission on Constitutional Laws, Legislation and the General Administration of the Republic (14) and by Parliament ignores the provisions of Decree No 60-406 of 26 April 1960 which it should respect.

These four examples illustrate the conception of those in government and their supporters of democratic and republican institutions, and it is probably by virtue of this curious conception that they expect to impose on the four departments their solution of independence, the rules of which the communists would also like to impose.

#### Election Maneuvering

Actually, at the time of his latest talk with the chief of state, Georges Marchais formulated his desire, within the framework of the reorganization of audiovisual media, of obtaining the appointment of several communists to head companies to be set up in the overseas departments and territories. If



he is successful, the independence machine will rapidly become operational. The process which those in government intend to use is simple. It is made up of six phases:

- 1) drawing up suitable election districts and elections aimed at giving a majority to their supporters on each general and regional council;
- 2) asking for a vote by each general and regional council for a change in status from overseas territory, following the example of the Department of Saint Pierre and Miquelon;
- 3) after the vote of each general and regional council favorable to the overseas territory, asking for the future agreement of all peoples concerned on a proposed law tending to set up each of the four territories as a sovereign state, in application of Article 53 of the constitution, as shown by most statements made before the National Assembly by the supporters of the single assembly. They base their arguments on presidential proposal No 58, which is none other than socialist proposal No 1232 of June 1979.
- 4) submitting each proposed law -- or any bill resulting from its transformation or any overall bill resulting from the transformation of the four proposed laws -- for the examination of Parliament in order to turn it into law;
- 5) presenting the law to the Executive Branch for promulgation; and
- 6) proclaiming the independence of the territory or territories concerned.

In other words, through election maneuvering, those in government would turn their own will, that of the socialist-communist coalition, into the people's will, so that they are no longer responsible to public opinion for the future foreseeable consequences of this contrived independence granted.

What then would the meaning of this independence be? The answer is obvious to the natives of overseas departments abroad.

In this connection, I would repeat that the latter have committed no act of housebreaking in order to enter France, first of all as colonized people and later as legally and constitutionally proclaimed French citizens.

#### Illegal Imposition of Solution

The socialist-communist coalition believes, as in 1946, that since 1972 and particularly since 10 May 1981, it cannot recognize their full French citizenship and that consequently, the best way to manifest that rejection is to impose independence unilaterally.

Intellectual honesty and political ethics would require a more loyal public behavior pointing up the responsibility of all the parties involved.

I would also remind you that the natives of the overseas departments did not board the French vessel illegally, but rather, were first put on it as

slaves, continued by their own free will and then, with the consent of everyone since 1946, as full French citizens in accordance with the constitution.

While the socialist-communist coalition might think, as in 1946, that since 1972 and particularly since 10 May 1981, they are dangerous parasites that must be thrown overboard secretly, in rough seas and without any help, intellectual honesty and political morals would point toward a public debarkation that would have the merit of identifying both the shipwrecked and those responsible for the disaster.

That way, things would be clear. That way, the natives would hail public action. That way, they would not accuse the socialist-communist coalition of kicking them out of the house or off the ship whose construction and existence were made possible only through their loyal and effective contribution, as demonstrated by their overall behavior in June 1940.

Nevertheless, what will the immediate consequences of the socialist-communist solution be? Three seem obvious:

- 1) a major reduction in the unemployment rate in the mother country due to the fact that natives of the new independent nations will be considered as foreigners and probably classified with the Palestinians;
- 2) the total or partial application of the Yalta agreements depending on the geographic location of the new independent states; and
- 3) the destabilization and dismantlement of the new states, mainly Guadeloupe, which will be divided into at least three camps: pro-French, pro-American and pro-Soviet.

And yet, I believe that whatever their future citizenship, the peoples concerned are apt to do for them what they have done and continue to do for those who jam history and deny the evidence and that, beyond this absence of memory, the duplicity of the socialist-communist coalition and the different problems experienced by our contemporary world, public opinion throughout the world will not remain silent.

In conclusion, if, after nearly three and a half centuries of struggles and fighting to restore their dignity, the colonized peoples of the past and the assimilated peoples of the present who still remain colonized are no further ahead, it is because every time they make legitimate, legal moves to regain it, those in power have always used the very methods they denounce, condemn and combat when they are used abroad. Proof of this is the current conduct of the socialist-communist coalition, which has used illegal means to impose its solution.

11,464  
CSO: 3219/21

## RESULTS OF MISSION'S VISIT TO BRAZIL, ARGENTINA

Port-au-Prince LE NOUVEAU MONDE in French 23-24 Oct 82 pp 1, 6, 8

[Text] The Government of His Excellency Jean-Claude Duvalier, president for life of the republic, has achieved and unquestionable success in the diplomatic, political and economic fields following the visit of an important delegation, led by Chancellor Estime, to Brazil and Argentina.

We take pleasure in publishing here the principal provisions, which confirm the extremely satisfactory results achieved by our delegation.

In Brazil

1. Principal points of the basic agreement for technical and scientific cooperation between the Government of the Republic of Haiti and the Government of the Federative Republic of Brazil.

Article III. Cooperation by the contracting parties in the implementation of this agreement may include, among other things, the following:

- a) exchanges of technical and scientific information as well as the organization of suitable means for their dissemination;
- b) the furthering of training and refresher programs by means of specific courses or training periods;
- c) joint organization of events on subjects pertaining to the sectors of cooperation mentioned in the present agreement.

Article IV. The lines of cooperation referred to in Article III concern more specifically:

- a) agricultural and agroindustrial development, particularly of rice and sugar cane;
- b) questions pertaining to reforestation; and
- c) questions concerning the structure and organization of specialized institutions for scientific research.

## Joint Haitian Brazilian Communiqué

1. At the invitation of the minister for foreign affairs of Brazil, Ambassador Ramiro Saraiva Guerreiro, the secretary of state for foreign affairs of Haiti, Ambassador Jean-Robert Estime, paid an official visit to Brazil from 14-27 October 1982.
2. The secretary of state for foreign affairs of Haiti was accompanied by his wife and a delegation made up of Mr Nicot Julien, under secretary of state for agriculture; Stanley Theard, director of the Technical Cabinet of the secretary of state for foreign affairs; Auguste Douyon, private secretary to the president for life of the republic; and Raymond Loy, representative of the Haitian Industrialists Association.
3. In Rio de Janeiro, the Haitian chancellor had contacts with representatives from different sectors of the Brazilian business community.
4. The state minister for foreign relations of Brazil and the secretary of state for foreign affairs of Haiti in a cordial and frank atmosphere exchanged views on the international economic and political situation. They also examined the current state of relations between Brazil and Haiti.
5. The two ministers pointed out the importance of full respect for the principles and objectives of the UN Charter, considered an indispensable basis for the promotion of harmonious relations between states. They reaffirmed their confidence in the United Nations as an instrument for creating peace, international security and the economic and social development of nations.
6. They reiterated the respect of their countries for the principles of justice and of international law, in particular those principles that refer to the sovereign equality of states, to the right to self-determination of peoples and to nonintervention in the affairs of other states. They reaffirmed their firm commitment to the solution of conflicts through peaceful bilateral means or through international organizations.
7. Concerning the North-South dialogue, the two ministers agreed in affirming that the problems facing the developing countries involve the international community in its totality, and they recognized the urgent need for carrying out global negotiations with the aim of instituting a new economic order.
8. The two ministers pointed out the need to establish effective conditions for the transfer of technology appropriate to the developing countries, and they recognized the importance of stimulating research and of adapting technology to the circumstances of each country.
9. They emphasized the importance of diversifying broad, equalitarian and direct cooperation between developing countries. In this context, they reiterated that south-south cooperation should supplement other forms of understanding by promoting the political and economic interests of developing countries. In particular, they indicated their confidence in Latin American solidarity as a fundamental factor in the solution of specific problems of the nations of the continent.

10. They emphasized the constructive role of the Organization of American States as a forum for the discussion and settlement of regional problems.

11. In analyzing the unstable situation in Central America and the Caribbean, the two ministers pointed out the need to find adequate solutions to the problems that affect this region. On this subject, they indicated that they are convinced that each country of the region should find its own solutions, in a democratic context inspired by its national values, that will permit them to promote economic and social development for the benefit of their peoples, particularly the most disadvantaged.

12. In reviewing bilateral relations, the chancellors paid particular attention to the way the cultural accord between the two countries is being implemented and to the possibilities of encouraging cooperation in the economic and financial and scientific and technical sectors.

13. The two ministers analyzed the different points of the cultural accord in force and indicated their desire to have new areas of cooperation identified and developed. In this regard, they noted with satisfaction the participation of Haitian students in the diplomatic training course of the Rio Blanco Institute.

14. During the exchange of views on the subject of cooperative activities in the economic and commercial fields, Minister Estime stressed the interest of his government in the granting of a line of credit for the acquisition of Brazilian goods and services. In this regard Minister Saraiva Guerreiro provided explanations on the mechanisms that are currently in effect in Brazil for the support of exports. The two parties agreed to maintain an ongoing review of this question at the appropriate levels.

15. On signing the scientific and technical cooperation agreement between the two countries, the two ministers expressed their satisfaction with the instrument, which creates the necessary conditions for making bilateral relations more dynamic.

16. At the end of the visit, Ambassador Jean-Robert Estime, secretary of state for foreign affairs of Haiti, thanked Ambassador Ramiro Saraiva Guerreiro, minister of state for foreign relations of Brazil, for the warm welcome accorded him and his delegation.

#### In Argentina

#### Joint Haitian-Argentine Declaration

Invited by the Government of the Argentine Republic, His Excellency Mr Jean-Robert Estime, secretary of state for foreign affairs and worship of the Republic of Haiti, made an official trip to Argentina on 17, 18, 19 and 30 October 1982. The Secretary of State of Haiti was accompanied by agricultural engineer Nico Julien, under secretary of state for agriculture; the director of his technical cabinet, Mr Stanley Theard; and Mr Auguste Douyon,

the private secretary to his excellency the president for life of the Republic of Haiti.

His excellency the secretary of state for foreign affairs and worship of the Republic of Haiti was received with the greatest cordiality in an audience with His Excellency the President and General Mr Reynaldo Bignone, thus emphasizing the bonds of fraternal friendship existing between the two countries.

His Excellency the Secretary of State for Foreign Affairs and Worship Mr Jean-Robert Estime and His Excellency the Minister of Foreign Relations and Worship Mr Juan Ramon Aguirre Lanari had meetings on questions of mutual interest bearing on the current regional and international situation.

Concerning bilateral relations, aware of the indispensability of close cooperation for achieving the progress and development desired by the two peoples, the ministers indicated their firm determination to further strengthen the existing ties between the two countries in mutual respect and for their mutual benefit.

On this occasion they examined the options available for reaching a harmonious and complete integration and for economic, financial, commercial and cultural exchanges, stressing in particular scientific and technical questions.

At the end of these fruitful conversations, the two Ministers agreed to sign the present joint declaration.

#### Joint Declaration

1. They reiterated their unchanging support for the principles of nonintervention in the internal affairs of states and their respect for the principles of political pluralism in bilateral relations.
2. They indicated their firm support for the principles of the United Nations and demonstrated renewed interest in the most frank and effective way for achieving the noble objectives that inspired the creation of this organization.
3. They expressed their satisfaction with efforts for regional understanding now being carried out and which the Latin American Economic System is developing, and for which they are disposed to contribute the necessary political support in order to coordinate in an effective way the national interests of member countries.
4. They examined the present situation on the hemispheric and world stages. On this subject they expressed their interest in the peaceful solution of existing problems.
5. They agreed on the need to carry out all possible efforts to finally eradicate the last vestiges of colonialism that still exist in several parts of the world.

6. His excellency the secretary of state for foreign affairs and worship of the Republic of Haiti reiterated his government's firm and unbiased support for the inalienable rights of the Argentine Republic to the Malvinas Islands, South Sandwich and South Georgia, stressing the need for a prompt and definitive restitution of these territories to Argentine sovereignty. In this connection, the Argentine Government expressed its appreciation for the abiding contribution of the Republic of Haiti to appropriate consideration of this question in international forums.

7. They analyzed the evolution of bilateral exchanges. The two ministers considered these working meetings as a preparatory meeting for the first meeting of the Mixed Scientific and Technological Commission provided for in the agreement on scientific and technical cooperation between the Republic of Haiti and the Republic of Argentina signed 15 September 1980. Note was taken of the wish of the two parties to convoke the first meeting during the 6 months following the exchange of instruments of ratification of this agreement. In this connection, the Argentine side undertook to make great efforts to complete the relevant legal procedure as soon as possible.

8. They declared that the important place occupied by scientific and technical progress in today's world fully justified the concern of nations for a permanent and free-flowing exchange of knowledge, of experience and of achievements. The Argentine Republic is considering the possibility of according the Republic of Haiti postgraduate scholarships in agro-industrial, economic and financial subjects.

9. They recognized the need to maintain regular contacts both at official and at private levels to identify the sectors and projects of common interest for achieving better mutual benefit in the economic, commercial, industrial and financial fields.

10. The two parties both emphasized that they share the aspiration for a gradual and progressive establishment of total Latin American integration. They indicated that the Treaty of Montevideo of 1980, creating the Latin America Integration Association (ALADI), offers great possibilities for progress in the achievement of such an aspiration. In the same way, they encouraged the study of the possibilities offered by the mechanisms provided for in the treaty for further strengthening the economic ties between the Republic of Haiti and the Argentine Republic.

11. The two parties analyzed the international economic situation and considered that the solution of problems of developing countries will not be found without a balanced, coordinated and profound change in the structures of international economic relations through the establishment of a new international economic order based on the principles of equality, justice and mutual benefit.

They stressed the need to undertake effective and coordinated efforts to implement resolutions of the UN General Assembly on the establishment of a new international economic order.

12. The two parties reaffirmed their intention to strengthen commercial ties, emphasizing their importance to overall economic relations. Along these lines, the Argentine Republic will favorably consider the possibility of granting the Republic of Haiti a line of credit for the acquisition of capital goods, manufactured products and services of Argentine origin.

13. They considered it necessary to promote a closer cultural exchange between the two countries, and in this context they stressed the importance of putting into effect the cultural agreement signed 15 September 1980. In this connection, programs are under study for application of the provisions of the said accord.

14. His excellency the secretary of state for foreign affairs and worship of the Republic of Haiti expressed on his own behalf as well as on behalf of the members of the Haitian delegation his sincere and profound thanks for the generous hospitality received during their sojourn in the Argentine Republic.

Done at Buenos Aires, capital of the Argentine Republic, 20 October 1982.

Jean Ramon Aguirre Lanari, minister of foreign relations and worship of the Argentine Republic.

Jean-Robert Estime, secretary of state for foreign affairs and worship of the Republic of Haiti.

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CSO: 3219/19



## PAPER FINDS CARICOM SUMMIT DECLARATION DISAPPOINTING

Kingston THE DAILY GLEANER in English 23 Nov 82 p 6

[Editorial: "The Caricom Meeting"]

[Text] Last week Tuesday we expressed the hope that the Heads of Government of CARICOM countries and the Bahamas would issue an Ocho Rios Declaration on the question of fundamental human rights which are so vital to our development. We made the point then that we supported all aspects of human rights, civil and political, for which an international covenant exists, and social, economic and cultural for which another international covenant exists.

What we wished in the CARICOM context was for CARICOM leaders to be bold and imaginative and to go beyond the mere declaration that they subscribe to these covenants and to the universal human rights declaration, for this is well known. And indeed, no member state of the United Nations can be a member without having indicated that it subscribes to at least the declaration.

Though we are glad that the conference did decide to issue an Ocho Rios Declaration we find the declaration a little disappointing. While we commend the Prime Minister, Mr. Edward Seaga, and his Deputy Prime Minister, Mr. Hugh Shearer, on their tact and diplomacy in obtaining a declaration, we would have wished for

less evasive and less vague language in the declaration.

Anyone reading it carefully would think that it was drafted by the backroom boys in Mr. Bishop's Grenada, including the irrelevancies about influences in aid and military operations in the Caribbean. No wonder Mr. Bishop is shooting off his mouth in Grenada that he scored a success.

Mr. Seaga has said that as the question of free and fair elections already is covered by the U.N. international conventions it was unnecessary to spell these out. On that basis, much of what is in the Ocho Rios Declaration is already covered by the U.N. Declaration and one could have left them out too. Yet Mr. Bishop's criticism of Mr. Seaga and Mr. Adams for their stand on human rights suggests that these two leaders were most insistent on the freedoms which all Caribbean peoples should enjoy. We commend them both.

We are glad that the conference was held, that the question of human rights was discussed, and discussed extensively and that, at any rate, Mr. Maurice Bishop seemed to have realised that his colleagues in CARICOM, while they pay lip service to what is now a false cliché called ideological pluralism, as if a dictatorship with a violation of human rights can be

called an ideology, they gave him a message that he must do something to involve the people of his country in the choice of their government. For it cannot be maintained, even by the most extreme supporters of Mr. Bishop that people are given a choice when a government is imposed on them by the gun. It was good to hear from Prime Minister Chambers of Trinidad that Mr. Bishop has assured him that elections will be held.

On the other matters of trade, university, regional carrier and so on, the decisions of the leaders seem to be in many cases the setting up of technical committees, which is wise. It was important for this meeting that it be held, though, clearly, the preliminary work required was not as intensive as one would have wished. It is to be hoped that now that there will be another conference next year in Chaguaramas, that the regularity of these meetings is being resumed and that the technical committees which have been established will complete their work so that more positive results can come from next year's conference.

*OPINIONS on this Page, except for those in the editorial above, do not necessarily reflect the views of the GLEANER.*

CSO: 3298/207

## OPPOSITION FINANCE SPOKESMAN RAPS GOVERNMENT ECONOMIC POLICY

Kingston THE DAILY GLEANER in English 24 Nov 82 p 2

[Text] Mr. Seymour Mullings, Opposition spokesman on Finance, has urged members of the Small Businessmen's Association (SBA) to look more to the rural areas for investment and industrial development.

Mr. Mullings, who was delivering the keynote address at the Small Businessmen's Association awards luncheon at the Pegasus Hotel, New Kingston, yesterday added that there was room for viable industries in rural areas with the basic infrastructure. It was up to the SBA to look for opportunities in these areas.

Turning to the Government's economic programme, Mr. Mullings said that the deregulation and free market approach was similar to that employed by Brazil and Chile in 1965 and 1973 respectively. Even though these countries had a long history of manufacturing experience which "qualified" them to experiment along this development strategy, they

failed to achieve their economic goals, he said.

But Jamaica, unlike Chile and Brazil, lacked a long-standing manufacturing sector well supplied with foreign exchange and with easy access to investment capital and expertise to exploit export market opportunities.

"Hence we are in a weaker position to successfully employ the deregulation programme of the present Government than Chile and Brazil years ago," he said.

Already, Mr. Mullings noted, some of the "harmful characteristics" which Brazil and Chile experienced precisely because of the type of development path they pursued, were in evidence in Jamaica.

One of these "harmful characteristics" which Mr. Mullings identified was economic growth which he said was accompanied by a "high income concentration", a situation where "the rich gets richer and the poor gets a proportionally smaller share of the national income".

"In Jamaica the indications are worrying," he said.

"There are increasing import bills vis vis export, impoverishment of small farmers, and these signs will emerge more clearly as the years go on," Mr. Mullings said.

"But the Opposition is watching carefully what is happening to the management of the foreign exchange", he continued.

This was because most of the problems Jamaica had experienced over the past 10 years were tied to foreign exchange, Mr. Mullings observed. Hence he believed that there ought to be a high priority on foreign-exchange management if the country was to succeed. But "the Opposition is concerned that the management is weak," he said.

Mr. Mullings noted that the Opposition was responsible, and in the national interest was helping to keep the people in a stable mood. The Opposition he said was made up of people who had served in a government with problems, hence the Opposition understood the present problems.

Jamaica, he noted, "will feel the effects of the

North American recession  
for a long time".

At the luncheon, certificates were given to the founding members of the Small Business Development Centre (SBDC). Chairman of the ceremony was Mr. Trevo Campbell, a director of SBDC.

CSO: 3298/207

## CITIZENS PROTEST POLICE ACTIONS IN KILLING OF TWO MEN

Kingston THE DAILY GLEANER in English 30 Nov 82 p 5

[Text]

The police killing of two men in St. Ann and St. Andrew between Friday night and early Saturday morning sparked demonstrations by citizens protesting the manner in which the men were killed and calling for impartial investigations into the deaths.

Shot to death by the police were Mr. Elijah Clarke, 45, fisherman of Steer Town, St. Ann, and a man identified only as "Jelly Head", about 21, of a place known as Calaloo Bed in the Washington Gardens area of St. Andrew.

The Police Information Centre said that about 9:30 Friday night a police party investigating a case of burglary and larceny committed in the Mammee Bay area went to Steer Town where a group of men were spotted acting suspiciously on premises in that town. The men ran on being challenged by the police and were fired on by a member of the police party.

A search was made in the area and Mr. Clarke's body was found with gunshot wounds to the chest and back.

The killing sparked a demonstration by some 200 residents of the area who blocked the road with rocks and threw stones at the police, causing damage to their vehicle, the PIC said.

The residents were angry over the manner in which the police killed Mr. Clarke and called for the suspension of the policeman involved and a full inquiry into the incident. "The Gleaner" learnt.

In the other incident, PIC said, about 4:45 a.m. Saturday a police party acting on information went to Calaloo Bed in search of "Jelly Head", who was a suspect in cases of rape, robbery and burglary com-

mitted in the area. The policemen were fired on and they returned the fire, hitting "Jelly Head", who was pronounced dead at the Kingston Public Hospital.

A home-made pistol with live and spent bullets was taken from "Jelly Head" while seven live rounds were found wrap-

ped in paper in his house, PIC said.

Citizens of the area demonstrated to protest the manner in which they said "Jelly Head" was killed by the police. According to reports to the "Gleaner" the people charged that the police took him from his bed and shot him dead.

[Editor's Note: Kingston's THE DAILY GLEANER of 2 Dec 82, p 2, adds this report on the incident:]

["Citizens protesting again against the killing of a man by the police blocked the road from Steer Town to Drax Hall, in St. Ann, yesterday morning.

["Logs which were set afire were used to block the road, and motorists who tried to go through were stoned.

["Within two hours, however, the police removed the road blocks and normal traffic flow was resumed, the Police Information Centre (PIC) said."]

CSO: 3298/207

## SEAGA ON AGRICULTURAL LOANS, OTHER ECONOMIC FEATURES

Kingston THE DAILY GLEANER in English 30 Nov 82 p 5

[Text] Prime Minister Edward Seaga said on Friday night that the 12% rate of interest that will be charged on loans in the agricultural sector through the People's Co-operative Banks was set at a level to allow those institutions to earn a sufficient spread to enable them to become permanent.

Mr. Seaga told the Small Businesses Association's (SBA) first awards function at the Jamaica Pegasus Hotel:

"There has been some complaint about the 12% rate of interest that will be charged in the agricultural sector. The rate of interest is set not only by the rate at which the funds which are being loaned are borrowed by the parent institution, but it is set at a level to allow the small financial institution itself to earn a sufficient spread, to enable it to hire the level of staff and create the kind of institution that won't go under.

"It would be downright irresponsible if the Government were to put into the hands of small credit institutions large sums of money to lend without their having the level of staffing, properly trained, properly qualified, to be able to lend in a reasonable manner.

"All that would happen in such a case is that the loans would be dispensed in much the same manner that loans were dispensed by the institutions that in the first place caused the problem that we now have to face today in setting up both the ACB (Agricultural Credit Bank) and the NDB (National Development Bank). It is to avoid this that a sufficient spread between the rate at which the P.C. banks will borrow and the P.C. banks will lend has been created, so that they will earn sufficient funds to enable them to hire the necessary qualified staff to ensure that they will be there as permanent institutions."

Mr. Seaga said that the channel for credit to the small business sector will be the credit unions, and he felt this was "particularly fortunate" because in the past, whatever institutions which were available for credit purposes for the sector represented a single 'door' or outlet, while credit unions were scattered all over the country.

Under this system, the small business enterprise would put its loan application to the credit union branch and the branch will put the application to the Credit Union League and the League alone will deal with the NDB.

Mr. Seaga said the Government had the intention to strengthen the ability of the credit unions to operate on a viable basis with training.

The NDB will lend for a period of a minimum of three years and a maximum of ten years with appropriate periods of moratorium. The rate of interest will be 12% and the \$7 million already set aside represented only what the Government felt was required to the end of this financial year. To the extent that those funds were used up, he assured that additional funds would be made available.

He said that the types of applications which will be supported will include the construction of buildings, the expansion and modification of structures, the purchase of machinery and equipment, the purchase of movable fixed assets, permanent working capital and the rehabilitation of existing enterprises.

In restructuring credit channels, a look will be taken at the auxiliary credit organizations, he said. The Government has decided that what remains of the various small business credit organizations will be absorbed into the NDB. The JNIP has established a Small Business Department to assist the sector.

The Government was willing to assist the sector, the Prime Minister said. The Government was in constant dialogue with the sector, but at the same time the sector must be prepared to ensure that it will share the overall burdens and responsibility for financing the economy.

Only a few months ago in checking the records of a number of small contractors, it was found that they were 'dutifully' deducting NIS, PAYE and NHT from their workers but not paying over to the institutions; in fact treating these deductions as a part of their proceeds.

"This is not the basis on which the small business sector can expect the full support of a Government which has to provide the wherewithal for the running of the entire economy; and I urge you to speak out against such practices among your membership and in your public statements, to ensure that the small business sector realizes and recognizes that it is going to be incumbent on them to share the burden".

It was for this reason that the issuing of licences to higglers, will depend upon the extent of Customs receipts that are produced and the extent to which they can show registration in the payment of statutory dues to the various organizations, the Prime Minister said.

And those who operate 'robot' transports on the roads must show that they are registered, have PAYE numbers and make contributions to the NHT and NIS before they will be given licences.

Mr. Seaga said that what the country was faced with in the small business sector was not a lack of growth, but the problem of how to channel and regulate this growth so that it will not proceed in an unregulated manner.

It was proceeding in an unregulated manner, undoubtedly arising out of some of the pent-up enthusiasm over the past few years. There was a large number of persons who were anxious to make their way today, and, because they were anxious, this anxiety was flowing over into unregulated growth.

"It is only by regulation that the overall permanency of these features of our economic life can be guaranteed. To the extent that it is not regulated it can only be counter-productive and if it is counter-productive it can only serve to end in the ruination of either their own activities or the activities of some other sectors," he said.

Mr. Seaga said that there was some misunderstanding or misinterpretation of the Government's policy for structural adjustment.

"It is perfectly true that the Government is directing its attention towards opening the economy, and opening the economy not just for the sake of having competition, nor just for the sake of that competition inducing lower prices for the benefit of consumers, but opening the economy so that domestic producers will recognize that they are not in a sheltered economy any more, and must seek the external market-place which means that they must earn more foreign exchange.

"The planned and programmed de-regulation of the economy has been to a certain extent upset, not by the admission of imports on a legal basis, nor by the de-listing of items which can now be imported which were restricted before and which now offer competition to local products which have caused them to have severe problems, but by the admission of those very products which do cause some amount of disturbance in the local economy as a result of illegal imports".

Illegal imports came from two sources: the first being the port where they enter in containers, an activity which has been halted to a large extent by the stripping of containers; and the second, through the airports, where the illegal imports (mainly by higglers) are

Mr. Seaga said that the small business sector had something to do with the illegal imports through the airports, and the Government had to make plans to regulate this area without destroying their enthusiasm, to create the necessary curbs on those imports.

"This being the Christmas season, it would be an entirely wrong thing to do at this time," he said. "But after Christmas, it is intended that those imports which are coming through the airports without licence, utilizing vital tourist dollars, for which there is very little taxes of one sort or another being



paid, will be put on a licensed entry basis and the informal commercial importer (higgler) will be given the opportunity

to obtain licences, and indeed a quota will be set aside whereby the no-funds licences will be honoured and at that time only goods which have licences will be permitted to enter the country.

He said that the Government manufacturing metal containers in which commercial baggage will be placed. The containers will be locked with two keys, one by the Customs official and the other by the importer. The metal container will be transferred to the Queen's Warehouse from which it will be cleared.

(The Prime Minister gave details of this new system in Ministry Paper No. 22 which he tabled in the House of Representatives on July 27.)

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## INCREASE IN NONTRADITIONAL EXPORTS TO U. S. REPORTED

Kingston JAMAICA DAILY NEWS in English 1 Dec 82 p 1

[Article by Winston Witter]

[Text] **NEW YORK, Nov. 30** — Jamaica's non-traditional exports to the United States have increased by 18 per cent this year or US\$11 million [J\$19.6 million].

Total exports in this area which includes fresh and processed foods, spices, coffee and alcoholic beverages, amounted to US\$88 million (J\$156 million) in 1982.

Latest figure breakdown for January through September this year, showed that fresh and processed food exports grew 84 per cent, coffee 23 per cent, alcoholic beverages 27 per cent, spices 27 per cent and cigars 9 per cent.

Speaking at a luncheon hosted by Trade Commissioner Derrick Cox for 21 US importers of Jamaican products in New York yesterday, Jamaica National Export Corporation (JNEC) chief executive, Peter King said non-traditional exports increased

by US\$40 million (J\$71.2 million) or 28 per cent from 1980 to 1982.

He said the JNEC had deliberately concentrated on this area to ensure high levels of foreign exchange returns, in keeping with government policy.

"Our programme has met with more than a reasonable level of success," Mr. King said.

Referring to the increase in exports to "our second largest market for non-traditional exports after CARICOM", Mr. King said this development had also been marked by a far closer relationship between the US importers and a range of local exporters.

He attributed the export increase to the "absolutely tremendous" role played by the JNEC's New York Trade Commissioner.

It was a considered decision that was taken to set up the Trade Commission in New York as it was believed that the market held the greatest potential for Jamaica's products, he said.

Mr. King thanked the importers for their support of the Trade Commission and their accurate and "sometimes brutally frank feedback" which was needed to improve their product.

As a result of the information given by the importers, he said, the JNEC had set up a programme of post-harvest handling, a network of consultants training programmes for farmers had been put in place and closer links had been developed with the Jamaica Agricultural Society (JAS) and the Jamaica Exporters Association (JEA).

Mr. King noted that a more organisational approach was being adopted in responding to the needs of the US importing community.

He announced that the JNEC planned to hold a buyer-seller meeting in New York in 1984. It is expected that over 100 firms will participate.

The 21 importers gathered at the posh Club 21 in New York City, represented US\$30 million (J\$53.4 million) of imports into that country.

Mr. King also took the opportunity to launch the New York Association of Importers of Jamaican Products of which Mr. Cox is the executive.

## BAUXITE COMPANY, GOVERNMENT DISCUSS NEW LEVY ARRANGEMENT

## ALCAN Action

Kingston THE DAILY GLEANER in English 2 Dec 82 p 1

[Text]

**ALCAN JAMAICA Company is seeking to negotiate with the Government of Jamaica a new bauxite levy agreement which, according to the company, would make the country more competitive on the dwindling world market for bauxite/alumina.**

Dr. K.B. Davidson, Executive Vice-President and General Manager of ALCAN Jamaica, said yesterday that the current levy restricts the investment of technology in Jamaica, and makes it almost impossible to attract new capital. He said that production costs are high in Jamaica, causing companies here to ask higher prices relative to those in a generally unfavourable international trading climate, and that these factors combine to make bauxite companies here uncompetitive.

Since 1974 the bauxite/alumina companies have been required to pay a production levy to the Jamaican Government, in addition to long-standing income tax and royalty payments.

The levy was based then on 7.5 percent of the average price of aluminium ingot, but was in 1979 shifted to a production incentive formula with specific reference quantities corresponding to about 85 percent of the bauxite companies' existing capacities.

The levy, which comes up for revision next month, has been blamed by bauxite companies here for the high cost of Jamaica's bauxite and the decline in production from a total of 15.17 million tons in 1974 to 10.30 million tons last year.

DR. DAVIDSON declined to tell journalists at an ALCAN-hosted press luncheon at the Terra Nova Hotel, what terms his company will be suggesting to the Government but said that the company has already indicated its interest in re-negotiating the levy.

"So far, the Government has not prejudiced nor committed itself and ALCAN has made no concrete proposals," he said.

He noted that although other bauxite-exporting countries have production levies imposed on their product these are less per ton than the Jamaican levy, and "to retain its share of the existing market Jamaica must look seriously at the investment climate and put incentives in place to attract investors".

Dr. Davidson said the growth rate of the industry has dropped from eight percent to an average of 2-2½ percent and that world

predictions for an upswing in the industry till of recovery in 1986, with a possible decline again the following year.

He said that in the light of the decline in the growth rate ALCAN has had to "address itself to retaining its market share" and has adopted a more aggressive posture in the market-place. He said that a "better levy" would have the effect of attracting new capital and containing the cost of labour per ton—two of the industry's most immediate problems.

## Opposition Views

Kingston THE DAILY GLEANER in English 2 Dec 82 p 6

[Text] A suggestion that Government should discuss with the bauxite companies the possibility of investing in areas where they have already proven their expertise, such as in milk and beef production, with a view to curtailing the lay-offs of staff, was made in the House of Representatives on Thursday, November 25, by former Minister of Mining and Natural Resources and Opposition M.P., Mr. Horace Clarke.

Speaking in the debate on the First Supplementary Estimates for the financial year 1982/83, Mr. Clarke said Alcan could expand their milk production and Reynolds could similarly expand their beef production.

"They both have the biggest resource required for any kind of industry," Mr. Clarke said, adding that they also have the management.

Stating that the bauxite industry was in a "real serious position", Mr. Clarke said the view had been expressed that by 1984 recovery would begin, but, he said, Jamaica could not "hold on to that kind of possibility, because if recovery begins in 1984, the effects won't be felt until 1985".

And, he added, "it will start at a low production level and we will not have any momentum."

Mr. Clarke congratulated the Prime Minister for the arrangement worked out with General Motors, of the United States, for the counter-trade of Jamaican aluminium for motor vehicles, but said that this in itself had its own disadvantage. He added that he did not agree that the country should barter solely in the area of motor vehicles, for the country would have been much happier if some capital goods, machinery, raw materials, fertilizer for the agricultural sector could be arranged.

### Productivity

"If the country can get help in the area of raw materials for the manufacturing sector and fertilizer, this could contribute to greater productivity in the society," Mr. Clarke said.

Warning that there will be more lay-offs in the country, forcing the nation into a "higgler society", Mr. Clarke wondered "if we can't discuss with the bauxite companies to continue in areas where they

have been successful, such as Alcan in milk and Reynolds in beef, for they have the biggest resource required for any kind of industry — which is management."

"It is not fair for the companies to reduce their work-force, for if they look further they could find lucrative areas where they could put their resources and skills to work," Mr. Clarke said.

The Opposition M.P. said that the bauxite industry "will never be the same again", adding that while the metal will always have a place in the industrial world, the continued growth which was experienced over the last 20 years will not be there again.

He charged the Government to undertake "serious dialogue" with the companies with a view to finding some solution to the problem.

He said also that the Government must be thankful that the previous Government had negotiated a contract with the Soviet Union and Venezuela, and what the Government must be aware of is that these things were not done on an ideological basis; we were only

seeking diversification which today can assist in controlling the erosion in the industry".

### Serious talk

Noting that one company had said it would be cheaper to "close down the plant, instead of having it open", Mr. Clarke suggested that the Prime Minister have a serious talk with the companies because there were other areas that needed resurrecting instead of finding the answer only in lay-offs.

On the situation at the Trade Administrator's Department, Mr. Clarke dared the Government to have an "impartial inquiry" there. The Minister, he said, had a

right to have a public enquiry if what he is telling us he can substantiate".

### "Jugglings"

Dealing with the savings of \$20-million in subsidy in the Basic Food Basket, Mr. Clarke felt that this should be attributed to the State Trading Corporation through its bulk-purchasing. He said many in the private sector had hoped that the Government would divest the Corporation, but he was glad that the Government had seen that some of the institutions set up by the previous Government were not for ideological reasons but

because of the needs of a developing country.

"We have seen a number of jugglings of the figures in the Estimates which is giving way to the 'jugglings' which we have been promised," he said.

Earlier, Mr. Clarke spoke on the situation at the Jamaica Public Service Company. He said that as the outages continued, there were constant water lock-offs and that he wanted Government to recognise the difficult situation the tax-payers were facing.

"With every lock-off and turn-off the meter continues to run; the more the lock-offs the higher the bill," he declared.

### Commentator's Negative Stand

Kingston THE SUNDAY GLEANER in English 5 Dec 82 p 22

[Article by Raymond Forrest]

[Text]

### THE BAUXITE PRODUCTION

LEVY comes up for revision next year and already pressure is being put on the Jamaican Government to modify it. I hope that the Government resists this pressure, for when one considers all the factors there is little reason to believe that any modification in the Production Levy will bring any substantial advantage to the country.

According to the Executive Vice-President and General Manager, of Alcan Jamaica, Dr. K.B. Davidson (if he is reported correctly in the 'Gleaner'), the current levy restricts the investment of technology in Jamaica, and makes it almost impossible to attract new capital. Furthermore, he says, production costs are high in Jamaica, causing companies here to ask higher prices relative to others in a generally unfavourable international trading climate; and these factors combine to make bauxite companies here uncompetitive.

DISAGREE. If that is so, are we to believe that if we substantially modify the present Production Levy that the major aluminium companies operating here will start pumping a considerable amount of capital investment into the island? You and I know that this is not likely to happen. It's time we stopped blaming the levy for all of Jamaica's production troubles. If this was true in the post-1974 years (and I am not implying that it was ever true), then it's certainly not true in the 1980s.

Energy requirements are far more of a pressing problem than any Production Levy when it comes to further investment considerations in Jamaica. This effectively rules out major investments (barring any Government participation), since Jamaica does not have the energy resources.

In the future, whenever the world comes out of recession and aluminium demand picks up again, these transnationals are going to increase their investments in the energy-rich countries like Brazil and Australia, with access to their

resources of hydro-electricity and coal, respectively.

Jamaica will very likely never become an aluminum producer, as the energy cost required to run a smelter is too high for us to run it economically. Dr. Davidson himself admitted that energy was the highest cost-factor in his company's operations. It seems reasonable to expect that this will remain the case in the coming years, notwithstanding the present stability of oil prices.

ANY MODIFICATION proposal seems

to be forgetting the present over-reliance, in terms of foreign-exchange earnings and Government revenue, on this industry.

In 1981, the bauxite/alumina industry earned about 77% of foreign-exchange earnings. Any consideration of modifying the Production Levy has to be assessed on how well and how quickly the other industries of the economy can increase their earnings to compensate for the losses that will result from the reduction in this levy.

Already, U.S. \$40 million less will be earned from the industry this year, compared to last year. It is no consolation to learn that had it not been for some intense bargaining and some astute deals the situation would have been worse.

AS THE PRIME MINISTER pointed out in his address to the Aluminium Association in Montego Bay last February, the levy is treated as a deductible expense in determining taxable income. The income tax paid in Jamaica is creditable for tax purposes in the U.S.

Mr. Seaga went on to point out that "the levy would be modified where new investment for increased production is brought into Jamaica". The latter part of that sentence needs re-emphasizing, as aluminium companies can take this first step if they wish to see changes in the levy.

The demand for our bauxite and alumina is directly related to the demand for the end-product: aluminium. The "industrialized" countries of the world remain the major users of the product and until the recession ends in these economies we will see little improvement here in Jamaica. It is clear that the future growth rate in the demand for aluminium will be low in the

1980s, as compared with that of the 1950s, 1960s, and even the 1970s - which means that huge investments are unlikely.

DESPITE THESE PROBLEMS, Jamaica still has several advantages over other bauxite producers. Jamaican ore is near to the surface, this ore contains a relatively high amount of alumina (30-51%), and mining areas are relatively close to ports, which facilitate easy trans-shipment. This should ensure that we remain large suppliers to the North American market for many years to come.

The levy has therefore operated to the benefit of Jamaica; and, before any modification takes place, one has to see greater guarantees from the aluminium companies first. If these are not forthcoming, then the Government must keep the present levy in place and resist all pressure.

Kingston THE DAILY GLEANER in English 11 Dec 82 p 8

[Letter to the Editor]

[Text]

**By Dr. CARLTON DAVIS, Executive Director of the Jamaican Bauxite Institute in a letter to the Editor of December 8.**

Judging by your editorial of today it seems as if it is impossible for me to convince your newspaper (as well as others) that it is simplistic to view the levy as The Cause of the present malaise in the Jamaican bauxite/alumina industry.

Notwithstanding what appears to be a reluctance to take into account other views such as my various letters to your newspaper, and factual data in the JBI JOURNAL (particularly the most recent issue) I think it is my duty to keep trying so that the Jamaican people may be made aware of as comprehensive a view of the matter as possible.

First and foremost, it must be emphasized that the volume of bauxite and alumina production in Jamaica is determined by factors WITHIN and WITHOUT Jamaica.

Year	Fuel Cost per tonne alumina	U.S. \$ million	Levy per tonne alumina
1974	34.4		27.9
1976	34.8		33.3
1978	37.1		41.4
1979	50.7		43.4
1980	74.4		43.5
1981	83.9		41.4

The above data indicate that there is a clear case for the companies to become more oil efficient. At the 1981 oil price, a lowering of energy use by 0.9 barrel per tonne would result in a saving of some U.S. \$25 per tonne — more than one-half the levy of that year.

To be fair, the companies have been making efforts in this direction; although it should be said that with one possible exception this is not being done with the urgency we would have liked. Further, it has been indicated that incentives would be considered for MEANINGFUL investments to reduce energy consumption and lower energy costs.

### Overlooked

The capacity factor is often overlooked, but it is an important determinant in the cost of production. A company which, for whatever reasons, chooses to operate at less than one-fifth of its capacity (as is the case of one operation) will face severe cost consequences. The Government company Jamaica Bauxite Mining Ltd. is now facing such a consequence because its major partner in one joint venture has cut its operating rate to half capacity.



In respect of the levy and the cost of local wages and salaries, two points must be made: (1) A levy rate was renegotiated in 1979 which (depending on production) resulted in a lowering of the 1974 rate of 7.5% to between 5 — 6%; (2) There was a massive devaluation of the Jamaican dollar, which has seen the average hourly wage of the Jamaican worker in 1982 remain at the same level (in U.S. dollar terms) as it was in 1977 — in spite of negotiations in 1978 and in 1981 for 'increased' emoluments.

In addition to the above, the Government has granted levy rebates in particular circumstances and waived the duties on caustic soda and other raw materials and equipment used in the manufacture of bauxite and alumina.

In spite of these significant reductions of our costs, production in Jamaica by the companies (sale to the U.S. Government is exempted because this is an extraordinary arrangement): (a) stagnated between 1977 and 1981; (b) declined dramatically in 1982; and (c) will decline even more in 1983.

In respect of the factors WITHIN Jamaica, apart from political and labour relations climate, they are principally (in order of magnitude) the cost associated with: (1) oil; (2) capacity of operation; (3) levy; (4) wages and salaries; (5) caustic soda.

As far as oil is concerned, the matter is virtually outside the control of Government. First, there is the PRICE (which is externally determined) and second, is the EFFICIENCY of its use. In my article in the JBI JOURNAL Vol. 2 No. 1, I have pointed out that both worked adversely against the Jamaican industry. For example, the price moved from an average of U.S. \$9.55 per barrel in 1974 to some U.S. \$27.05 in 1981. As far as use goes, the alumina plants in Jamaica averaged some 3.1 barrels per tonne of alumina in 1981 (vs. a realizable 2.2 barrels or even less per tonne).

Translated into dollars, the effects of oil price and inefficient oil use have resulted in the cost of oil for producing a tonne of alumina, in Jamaica, moving from being just slightly above the levy in 1974 to more than TWICE that of the levy in 1981. I will cite some figures to illustrate the point:

The table below illustrates:

Year	Levy Rate (%)	Value of Currency (U.S.\$)	Production (million tonnes)
1977	7.5	1.05	11.43
1978	7.5	0.61	11.75
1979	7.5 (½ yr.) (5-6% ½ yr.)	0.57	11.50
1980	5-6	0.56	11.98
1981	5-6	0.56	11.61
1982	5-6	0.56	6.75

It is my considered view that external factors have been overwhelmingly responsible for the industry's current malaise.

First, there is the recession which everyone concedes is the worst since the Second World War. Second, North America, which has been our principal market (71% of total shipments between 1974-1981) since the inception of our industry, has been declining in world terms as a primary aluminium producer. The data below are informative:

#### North American Percentage of 'Western' World Aluminium Production

Year	Percentage
1950	79
1960	70
1970	57
1980	45
1985 (est'd)	41

Third, within North America, the areas of particular advantage to Jamaica — e.g. the U.S. Gulf Coast, because of the significant increase in natural gas price — are facing near devastation of their industry. For example:

1) Reynolds' Point Comfort smelter (which has been fed with alumina made largely from Jamaican bauxite by the neighbouring alumina plant) is closed and quite conceivably may never be reopened.

2) Alcoa's Point Comfort smelter is permanently closed.

3) Revere's Scottsboro smelter is closed.

4) Kaiser's Chalmette smelter is operating at about 21% of capacity.

There are other examples but those above are sufficient to illustrate what is happening in an area important for the Jamaican industry.

Another factor is that several countries where smelter capacities are being established are also developing their own bauxite deposits thereby depriving countries like Jamaica of market opportunities. Examples are Venezuela, Cameroon, Brazil.

Apart from these effects, it is important for the public to know that an important factor which has been affecting our level of production, are the 'Take or Pay' commitments entered into by the companies in other bauxite-producing areas.

I will cite one case to illustrate: In the big Boko mine in Guinea where Alcoa and Alcan, among others, are involved, the companies are obliged to TAKE certain minimum tonnages (a narrow lower limit is allowed) or PAY for it. What this means is that in a recessionary situation as we are now undergoing, the companies have to fulfil their commitments in that operation and divide the rest of their requirements among their other sources. (A similar arrangement applies to the Trombeta mine in Brazil).

In other words, there could very well be a situation whereby Jamaica invite the companies to take our bauxite for nothing (a policy that would please some) and find that the invitation is not accepted because of constraints such as the 'Take or Pay' arrangements referred to above.



## Complexed

What I have said above (and the hal has not been told!) indicates a complex situation with which we have to grapple.

The need to diversify our industry markets as well as ownership patterns which was recognized when we began to study the industry more seriously in 1974, is a strategy that has to be pursued. It has taken greater urgency now and I am happy to say that this is being pursued. The recent signing of the contract for the sale of bauxite to the USSR is a case in point.

Energy efficiency (and reduction of energy costs) possibly by conversion to coal is another.

As for the levy, we have to balance the whole complex of factors, including importantly, the fact that in a NORMAL year it earns in NET TERMS about twice the entire tourist industry.

I trust, Sir, that I have at least presented a broader perspective of an issue which is most critical for our economic survival and trust that future discussions will take account of these and other factors.

**NOTE:** Dr. Davis' long statement is an eloquent confirmation of what he calls our "simplistic" view which is that the Levy has contributed to the increased cost of production of Jamaican Bauxite — however justifiable the levy was and is.

—The Editor

CSO: 3298/208

## SHIFT SEEN IN ELECTION OF OBESO AS CEM CHAIRMAN

Mexico City PROCESO in Spanish 22 Nov 82 pp 24-26

[Article by Carlos Fazio]

[Text] The archbishop of Jalapa, Sergio Obeso Rivera, a moderate and cautious man, open to the new ecclestical trends, was elected president of the Conference of the Mexican Episcopate (CEM) for the 1983-85 triennium after surpassing by a wide margin of votes the conservatives Ernesto Corripio Ahumanda, the cardinal archbishop of Mexico and Jose Esaul Robles, the bishop of Zamora.

The election, which remained unfinished in the face of the prelates' inability to appoint a general secretary for the CEM, marked a change in trends that are stirring within the episcopate.

The previous administration, headed by Cardinal Corripio and his auxiliary bishop, Genaro Alamilla, was characterized by its rightist, repressive and tightrope-walking line facing the state. The rejection of Corripio's work as president of the CEM in the period that is ending was reflected in the scant six votes that he obtained, opposed to the 54 votes won by Obeso out of a total of 75 voters.

In ecclesiastical sources, Corripio Ahumanda's proposal in his greetings to the conference, on Tuesday, the 16th, for a total reorganization of the CEM officials and against his re-election, was interpreted as a tactical dirty trick in the face of the inevitability of an unfavorable result. The question among some bishops after the election was who of Cardinal Corripio's nine auxiliaries in the metropolitan archdiocese did not accompany him with their vote.

The appointment of Sergio Obeso, who is intellectually open to all tendencies --a fact endorsed after his election when he stated that he would fight for episcopal pluralism to prevail within the CEM--and who has supported innovative and committed movements in his diocese of Jalapa, immediately generated hopes among the various strata of the Mexican church. Up to now Obeso has been a prudent bishop, a characteristic possibly forged by being the coadjutor of Monsignor Emilio Abascal Salmeron in Japala and vice president of the CEM during the period in which Corripio was president.

Monsignor Jose Esaul Robles, who Obeso himself, perhaps motivated by a matter of emotions, because they were contemporaries in Rome, included in a list of three candidates for the post of vice president, to which he was elected, represents the pragmatic, opportunistic and careerist line of Corripio and presently appears as the strong man of the CELAM (Latin American Bishops Council) in the Episcopal Conference. In his pastoral area of Vasco de Quiroga, Michoacan, Robles has risen up as the eminence grise of the relentless policy against the grass-roots ecclesiastical communities and as a whip against the priests involved with native and peasant causes, whom the bishop accuses of being "Marxists". Robles, the worshiper of an anti-Marxism similar to that of Lopez Trujillo, the president of the CELAM, is the chief person responsible for the exclusion of the Jesuits from the seminary in Tula.

The secretaryship of the CEM will continue temporarily in the hands of Genaro Alamilla until next February, when the bishops will meet once again for their Planning Assembly. Ramon Godinez, auxiliary bishop of Guadalajara, who was elected general secretary, declined the responsibility at the requests of Cardinal Jose Salazar Lopez, who called Godinez to his side. The auxiliaries of Mexico and Tuxtla Gutierrez, Wattí and Aguirre respectively, did not obtain the necessary votes.

The opening speech by Cardinal Corripio regulated the statements of the bishops before the press. Essentially the cardinal complained that "the state does not easily understand the mission of the church nor does it distinguish the duties of the clergymen from the obligations of the faithful and neither is it used to accepting that the policy of a party is one thing and the policy of the common good is something else." He demanded a "strong presence" of the church for the immediate future, as "a prophetic duty without hesitation, without fears and with freedom," and he mentioned as an example a quotation from Karol Wojtyla, when he was archbishop of Cracow, to promote the idea of the need for a strong Mexican church facing the power of the state.

Corripio declared himself for the recovery of legal rights for the church. He said: "We have not known how to depart from the narrow legal corner in which they locked us because we have said: let us not lose what we have, we have to go little by little, the state has been tolerant, the church and the state have good relations (...) But the church is leading a shameful life in Mexico from which we cannot exit and in order not to do so we have invented formulas of excuse to not have more vital and demanding, more daring and evangelical actions."

In chorus the bishops selected for the press conference decoded Corripio's message. They requested reforms in the constitution and in this regard they cited Article 130 and education; they demanded political freedoms and rights for the clergy; but they rejected having to make a self-criticism of the role of the hierarchy in the history of Mexico. "That," said Bishop Luis Reynoso of Ciudad Obregon, "is a very long story."

The belligerent attitude of Cardinal Corripio a few days after the change of government in Mexico was not joined by the whole episcopate. Some bishops

explained: "He spoke personally." A minority, in which some prelates from the Pacifico Sur pastoral region and from the native zones of northern Mexico place themselves, agreed that claiming legal power as a condition for there to be a prophetic church and facing which they considered as the most important measure of Lopez Portillo's 6 years the nationalization of banking and the control of foreign exchange, is not prophesying. They said: "The prophet does not need legal power, he assumes it in the commitment with the struggling people." They also described as calamitous for Mexico the evoking of a strong Polish church facing a strong state, and they claimed the presence of an evangelical church, with prophetic independence, that will interpret and represent the hopes of the people. Some, included in this group, regretted the image that the church is presenting, as a whole, with most of its hierarchy seeming to agree with those affected by the recent economic measures: the bankers and the employers.

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CSO: 3248/320

## AGRICULTURAL, LIVESTOCK SECTORS TO EXPERIENCE DECLINE

Mexico City UNOMASUNO in Spanish 26 Nov 82 p 8

[Article by Alberto Aguilar]

[Text] According to research by the National Bank of Mexico, that was disclosed yesterday, because of the shortage of rain in the country, the agriculture and livestock sector will experience a drop of minus 2 percent in its growth at the end of this year, in comparison with the growth of 7.1 percent and 6.4 percent achieved in 1980 and 1981 respectively.

The Banamex study specified that also because of the lack of rain the volume of production in the second cycle, spring-summer, will drop more than 20 percent, for which reason corn production is estimated at between 10 and 11 million tons, sorghum production will be less by almost 1 million tons to that of 1981 and soybean production less by between 350,000 to 450,000 tons.

The damages to corn production because of the lack of rain were more substantial in the areas of Bajío, Chihuahua and Zacatecas. However, other cities were affected such as Chiapas, Veracruz, Puebla and Mexico.

Regarding soybeans and safflower, Banamex pointed out that because of this phenomenon Mexico is facing a shortage in the supply of oilseeds, for which reason it is foreseeable that imports will be increased.

Banamex reported that although the prevailing factor to explain the drop in production for this year is the climate, the agricultural sector also faced rises in the costs of production that had decisive repercussions. Comparing production costs in April of this year with those of 1981, they rose from 14.2 to 74.1 percent, while opposed to these increases the guarantee prices increased only about 33 percent on the average.

In this regard Banamex specifies that tractors had a cost increase of 58.5 percent, seeds 28.2 percent, fertilizers 14.2 percent, pest killers 29 percent and labor 74 percent.

Concerning the foreign trade of the agricultural sector, Banamex pointed out in its research that in the first 7 months of this year the exports of agricultural food products was decreased by 19.6 percent and totaled \$1,133,000,000.

As far as sales that Mexico traditionally makes abroad of agricultural food products, exports of agricultural items decreased 26.3 percent; cattle exports were 14.1 percent less and manufactured foods decreased 4.7 percent.

The Banamex study states that overproduction of some goods and the lowered economy of the United States (Mexico's main purchaser) are the reasons that have prevented increasing Mexican agricultural exports and taking advantage of the competitive situation that exists as a result of devaluation. At the same time, the embargo on Mexican citrus fruits stipulated by the United States has contributed to decreasing sales abroad.

Banamex explained that despite the drop in agricultural food exports from Mexico, the trade balance in this category showed a surplus of \$76 million in the period examined, which is significant if we remember that during the same months in 1981 a deficit was reached of \$595 million.

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CSO: 3248/320

## H. CASTILLO CALLS FOR MEMBERSHIP IN OPEC

Mexico City PROCESO in Spanish 18 Oct 82 pp 31-32

[Article by Heberto Castillo]

[Text] The nationalization of the banks and the establishment of general exchange control are not a panacea to cure the nation's ills. The economic crisis is serious, unemployment is on the rise, inflation is growing worse, and the government's austerity policy--applied to the poor, of course--is in effect. Aggressions from outside Mexico are intensifying, and those affected by the expropriation of the banks are organizing both inside and outside Mexico to destroy this measure.

The approximate amount of the expropriations comes to 4 billion pesos.

Those affected know that they can still decrease the impact of the expropriations, and are attempting to do so. Televisa, which is representing those affected, using its public relations capabilities, is maneuvering and testing its strength. It is measuring the terrain and is waging a campaign against demonstrations. It wants to do away with these demonstrations because it knows that they help to abolish the causes underlying them, including the unjust distribution of wealth. Televisa understands that as an outlet for the expression of popular causes has always been blocked, the streets and squares enable the people to make their demands known. But the action of Televisa goes even deeper. Its multinational associates, disguised as Mexicans through the straw men of the group headed by Miguel Aleman, Emilio Azcarraga, Gabriel Alarcon, and the leaders of the Alfa, Visa, Gis, ICA, Bufete Industrial and other groups, are moving heaven and earth to get the resources they need to purchase the expropriated shares. As they are foreigners, they can not protect themselves from expropriation, because in the majority of the cases they purchased shares in businesses in fields from which they were constitutionally

barred--such as radio and television, and they are making use of their Mexican associates for their business dealings. If this were discovered, they would lose their holdings without any compensation, as the constitution provides.

For this reason, there is a great deal of pressure of all sorts. This explains the open letter sent by 37 U.S. representatives to Ronald Reagan, calling for concrete action to be taken against Mexico "to block the advance of socialism." It also explains the formation of groups like the one that has published this letter and other attacks by the U.S. Congress against Mexico because of its policy of nationalizations. This committee calls itself the "Committee for Liberty and Justice"! It also explains the campaign by the media, with Televisa in the lead.

Confronted with these pressures, the Mexican government has already moved backward and has betrayed the people's interests. It unexpectedly announced that private businessmen with foreign debts will be allowed to pay these debts with their bank shares, thus opening the door to foreign investors, up to the fabulous amount of \$20 billion--the amount of this debt. Who agreed to such an outrageous plan? President Jose Lopez Portillo. When did it happen? The information was announced openly on the official television channel on Tuesday, 12 October. In this way, the Alfa group alone will be left with \$2.5 billion of foreign capital.

The multinationals will gain control in Mexico. The companies that are nationalized, such as PEMEX [Mexican Petroleum], CFE [Federal Electricity Commission], and FFCC [National Railway of Mexico] will help to support imperialism by means of indiscriminate subsidies. And there will be a new focus of support, the nationalized banking system, which, through the dual exchange rate, will subsidize machinery imports for the big "national" companies which are controlled by foreigners.

In addition to this intolerable betrayal, the government, overwhelmed by the amount of the foreign debt, without the liquid assets to pay the debt service, is cravenly seeking the support of international banks to obtain new resources. The dollars brought into Mexico from abroad by national or allegedly national businessmen go outside Mexico. The promise made to give the people the names of those citizens taking currency out of Mexico has not been kept. This offers clear proof that many high officials in the government are among their number. Then the government lacks the moral authority to punish those who have cheated the treasury, taken currency away from Mexico, and purchased property in the United States or other countries.



Then Mexico falls into the grip of the International Monetary Fund, which will try to impose its own conditions so that Mexico will side with the countries following the monetarist policy now in fashion in the United States and England.

As has become customary, the negotiations with the IMF are not reported inside Mexico until after the international press has reported on these negotiations abroad. Then we learn that the Mexican government and the International Monetary Fund either have reached agreement or have not. The U.S. press reports that Mexico and the IMF are on the verge of reaching agreement for an emergency credit, and that the IMF will agree to proceed with a certain degree of flexibility, given Mexico's serious problems which might cause it to suspend payments. Then a clarification follows immediately: "No flexibility for Mexico." Either Mexico must accept these conditions or there will be no credit. The conditions imposed by the IMF are quite well known: a wage freeze; decontrol of prices; cutback in government spending, especially in the social security system; a suitable exchange rate system; and above all, an open foreign trade system, which means giving free access to imports.

The IMF turned down Mexico's request to obtain an emergency credit and said that "there is no probability at all of Mexico obtaining financing if it does not agree to impose a broad domestic austerity program." But we have learned all of this from information in the foreign press. When will the government of Mexico responsibly inform the people about its talks with the IMF?

It is clear that the IMF will not grant any more loans if the government of Mexico does not accept the terms set by the IMF. And the IMF represents the most typical interests of imperialism. In 1976 it made a loan to Mexico--has that been forgotten already?--to resolve the current crisis, because the Lopez Portillo government was willing to accept for Mexico the role that imperialism assigned to it in the international division of labor: a massive producer of hydrocarbons. At the very start of the Lopez Portillo government, along with the oil boom, came the announcement that PEMEX would obtain a credit of \$16 billion to expand its production capacity.

Mexico's adventure with oil began in 1977; it has brought Mexico to the brink of chaos, with a potential production capacity of over 15 million barrels per day. This has been achieved at the cost of an external debt, for PEMEX alone, of \$25 billion. That is why PEMEX now has to pay, just for interest on the debt alone, almost \$7 million per day.

The imperialists know that we have been left in the lurch. If we are to move forward, we have to sell oil, think the leaders of the developed nations. And we would have to sell more and more oil all the time. In so doing, the price would be lowered, hurting the oil exporting countries, and OPEC. But Mexico, it is said abroad, can do nothing else. It fell into this trap despite the many warnings issued in Mexico by knowledgeable leftist organizations.

The international financial community is well aware of this. It knows that in 1976 it drew up the plan to commit Mexico to this undertaking. It has achieved its goals to perfection. And the mistakes and corruption of the Mexican government were its best allies.

The Mexican government has found no way out for this problem, and the fact that it is now in a race to produce more and more oil every day is shown by a number of things. The limits on oil production and exports set by the government in response to the popular pressures we have managed to develop have been violated one after the other. The head of PEMEX, Julio Rodolfo Moctezuma, reported that we have been producing 2.85 million barrels per day, while the limit set was 2.75; we are exporting 1.5 million barrels per day, 800,000 of these to the United States, over 50 percent more than the limit set. Furthermore, we sell oil with advance payments and a promise to increase the quota to no less than the strategic reserve of the United States, which means, the strategic reserve of the Pentagon. Now that figure is 50,000 barrels a day. In 1983, it will be 190,000 barrels.

We will not get out of this problem by selling oil. This year, with the increase in hydrocarbon exports, Mexico will receive \$14 billion, approximately. But the interest due on the debt is roughly the same amount. All the oil sold will just pay the interest due, without paying a cent of the debt itself. And we will need to import capital goods and technology. The deficit in the balance of trade will be enormous, or we will have to slow down production, because without these goods, our industrial plants will not function.

But there is an intelligent, suitable, and decent way out for the government of Mexico: membership in OPEC.

Mexico is now the fourth producer of oil in the world, one of the leading exporters, and the main supplier of the United States, having surpassed Saudi Arabia in this regard in May 1982. Despite all this, we have not joined OPEC. It is clear that if

we did so, Mexico would be in a better position to protect its oil. The OPEC nations are now producing about 22.5 million barrels per day. Mexico produces over 10 percent of this amount. By joining with these countries, Mexico could have an input on planning the use of hydrocarbons in the world, in the preparation of a World Energy Plan. It could also have access to sound financial resources.

The OPEC nations, combined, have an enormous financing capacity. Just in 1980 they sent \$80 billion to the international bank. That money could be used to finance fraternal nations, underdeveloped countries, the Third World.

There are convincing reasons for Mexico to join with OPEC: the price of its oil could be defended on a collective basis; for historic and geographic reasons, the OPEC nations and Mexico all have in their territories an element that is essential to the development of modern society, hydrocarbons; the price of our oil is now lower than the OPEC price, not just the FOB price, but the transported price as well. The reason for this is a basic one. Mexico is the oil-producing country that is closest to the United States and transport costs almost nothing. It is not good for the OPEC countries for Mexico to sell its oil at a low price, while it is good for the developed nations. The developed countries will lend to Mexico if Mexico produces a great deal of oil, while the OPEC nations would lend to Mexico if it were to produce less oil.

Saudi Arabia has already offered us some financing. The door is open. By joining OPEC we could achieve independence from the international financial community and help to develop a bank for the Third World nations.

It is now clear that what is good for OPEC is good for Mexico. And what is good for the international banking community, and therefore, for the IMF, is not good for Mexico. So why don't we join OPEC?

It is urgent to mobilize the people to demand that Mexico not accept the IMF terms and that on the contrary, Mexico join OPEC. An appropriate forum for doing so is the National Committee to Defend the People's Economy. On 23 October we will march through the city's streets to call on the people to join this campaign against an austerity policy that the IMF wants to impose on us, and for the full nationalization of our banks, against the sale of shares of our businesses, for an end to the anonymous ownership of these shares, and a dual parity rate; for the food,

chemical-pharmaceutical, and construction industries to be nationalized; for an end to the protection of landowners; and for Mexico to reject the IMF and join with OPEC.

OPEC yes, IMF no!

76 79

CSO: 3248/156

LOPEZ PORTILLO AUTHORIZES BORDER AREA EXCHANGE FACILITIES

Mexico City EXCELSIOR in Spanish 21 Oct 82 pp 1-A, 10-A

[Article by Isabel Zamorano]

[Excerpt] Tijuana, 20 Oct -- The chief executive today issued an authorization for the establishment of exchange facilities in all the border cities. These facilities will collect foreign currency and enable the people to obtain the currency needed for their everyday commercial transactions in Mexico and not in the United States, as they must now do.

The president also authorized industries in the border area to import the raw materials and semi-finished goods needed to keep the manufacturing industry in operation. This authorization will expire on 31 December of this year. Persons who use this authorization to deal with the U.S. market will have to use their own dollars, since the Mexican Government will not grant any preferential currency.

The undersecretary of foreign trade, Hector Hernandez, reported these developments and emphasized that this does not mean turning back on the exchange control policy in effect since 1 September, but rather it will give the people some aid, for they must now abide by the regulations governing exchange facilities located inside U.S. territory.

The exchange facilities will begin to operate next Monday [25 October 1982]. This week the government hopes to iron out some of the problems related to this authorization, said Hector Hernandez at the close of the meeting which President Lopez Portillo held with representatives of business organizations.

The leaders of the Coordinating Business Council, of the CANACINTRA [National Association of the Processing Industry], the National Chamber of Commerce and Tourism, the National

Chamber of the Construction Industry, the National Chamber of the Fishing and Restaurant Industry, transporters' associations and representatives of the finishing industry, along with leaders of the Management Center of Baja California made the following request of the president.

They requested authorization to import the raw materials and semi-finished goods they need without prior authorization and without a right to obtain foreign currency, as was done until 15 October. To do so, they proposed an agreement by the department of commerce modifying the second provisional article of the accord published in the DIARIO OFICIAL on 17 September of this year, postponing the requirement for a prior permit from 6 October until 31 December 1982.

They also requested that the Bank of Mexico authorize the establishment of a free market for the purchase and sale of currency, but without the Bank having any responsibility for this market. The intention behind this would be to recover this market for Mexico, which now operates in the United States, in order to acquire the currency needed for the operation of the manufacturing industry.

Articles 110, 111, and 112 of the Customs Law could be modified in order to bring together the fiscal and administrative incentives which are now scattered, in order to enable the industrial sector, which is now semiparalyzed, to work again at full capacity.

In response to these requests, President Lopez Portillo authorized the establishment of exchange facilities, and the import of raw materials and semi-finished goods in order to keep the manufacturing industry in the border area in operation.

The president, explained Hector Hernandez, said that these facilities may or may not be granted as concessions, and that those who want to make use of them to acquire currency will have to present suitable documentation so that the appropriate fiscal procedures may be handled.

The undersecretary of foreign trade stated again that this decision does not mean turning back on general exchange control, but rather it is a necessary adjustment so that the manufacturing industry of the border area may coexist with the U.S. economy.

"This situation," he commented, "will require a certain amount of flexibility on the part of the treasury authorities, but there will be no preferential treatment given to anyone."

According to Hernandez, this decision was made at the meeting on foreign trade held at Los Pinos last Tuesday. For that reason, some of the technical problems involved in opening up these facilities have not yet been worked out.

On another matter, Hernandez Cervantes reported that with the economic adjustment in February, the decline in exports amounted to \$2 billion over what had been scheduled. A decline of \$6 billion had been planned, while the actual decrease came to \$8 billion.

The decline in purchases abroad had been expected since 1981. However, Mexican exports did not increase as planned, because of the difficult conditions in the international market. An improvement is expected over the next 2 years.

7679

CSO: 3248/156

## CENTRAL AMERICAN GUERRILLA ADVISERS SAID AIDING PEASANTS

Tuxtla Gutierrez LA VOZ SURESTE in Spanish 19 Nov 82 p 3

[Text] Venustiano Carranza, Chis.--Residents of the La Casa del Pueblo and Flores Magon public lands have declared that they fear they will be attacked by peasants of Nicolas Ruiz who are being advised by 30 Guatemalan, Salvadoran and Nicaraguan guerrillas.

They said that these guerrillas are hidden in a cave in Mispis mountain, near Nicolas Ruiz, and that they are planning to attack on 21 November, election day. They therefore request help from the police forces and the army to prevent a massacre.

As has been previously reported, rivalry for the possession of land between the Flores Magon peasants and those of Nicolas Ruiz has already resulted in deaths on both sides. The Agrarian Reform, which created this situation, has not provided basic solutions but mere stopgap remedies which have only caused feelings to reach a climax.

Now the Nicolas Ruiz peasants, advised by foreign guerrillas who have high-powered weapons, may cause a massacre if the proper authorities do not act immediately to bring about a peaceful settlement of the problem.

The complainants said that the persons who are supposedly directing the preparations for the confrontation are Antonio Garcia Lopez, Angel Hidalgo Espinoza, Jose Maria Hernandez, alias El Raton, all of whom live in Nicolas Ruiz, and Caralampio Alvarez Juarez, who lives in Flores Magon.

The complainants are asking for protection in order to prevent the confrontation from taking place.

9204

CSO: 3248/371



## DETAILS OF PSUM FIFTH PLENUM DRAFT RESOLUTION

Mexico City UNOMASUNO in Spanish 6 Dec 82 pp 1, 6

[Article by Julio Hernandez Lopez]

[Text] The draft resolution of the Fifth Plenary Session of the Central Committee of the PSUM, Unified Mexican Socialist Party, points out that the "Popular reorientation of the economy and the democratization of the country are today more closely linked than ever." The text also states that the PSUM "will maintain its opposition to the new government" not only because of class differences but also because of "a fundamental disagreement regarding conditions in the country and the steps necessary to change them."

However, the draft agreement states that the "PSUM is open to closer relationship with sectors functioning within the popular organizations and public administration. There is nothing shameful about this. But these closer relationships are developing not only because of the wishes of our party but also because of the decision of these other forces to support a program which is different from that offered by the government."

On the other hand, the PSUM "will maintain its independence but will not allow itself to be led to sectarian stands. The Left ought to be beyond such sectarianism which only results in isolation and political sidetracking."

In this regard, the draft resolution states that "the new government's program will lead to a deepening of the crisis and to an increase in social and political contradictions and confrontations. This obliges the independent left to take a clear stand against the official policy. Therefore, more emphasis must be placed on preparing programs and on alliances between the nation's democratic and revolutionary forces. This is not the right time for heightening the tensions of the Left but for the Left to form alliances and to unify.

Also, a "divisive policy--like it or not--serves the interests of the ruling group. However, the PSUM will do battle, wherever it is compelled to do so by other forces, in defense of its positions, integrity and prestige since to follow a policy of unity does in no way mean surrender, especially in regard to those who are resolved to slander it on the basis of their allegedly radical positions."

During the plenary session, held on the second floor of the legislative building on Lafragua Street, the PSUM Central Committee members discussed the characteristics of the new government, its members and the general policy drawn up to face the crisis. Although there were disagreements on several points and there was a prolonged discussion, the draft resolution issued to the press, whose representatives were allowed to attend the discussions, gave the general lines of action that the PSUM would like the new federal administration to follow.

The document began by stating, "Although the new government does not conceal the gravity of the situation, it is trying to implement a policy forcing everybody, capital and labor, to come to a basic, general agreement favoring the capitalists and the ruling groups." However, "the PSUM rejects the concept that the crisis can be overcome by sacrificing the working population."

It also adds that "In order to meet the crisis by changing the conditions which created it, a program must be carried out which will include a redirection of the economy and the Mexican way of life and the triumph of political democracy."

As to fiscal reform, the PSUM states in its draft resolution that "the taxes of the capitalists must be raised, the taxes on capital revenues made more progressive, anonymous shares and bank investments done away with, a special tax levied on luxury and all types of unproductive property in the hands of the upper middle class." The need to reduce the tax rates for the workers and to introduce a new income tax scale, expressed in multiples of minimum wages, is also stated.

As for the nationalized banks, it states, "they should not be managed on the same basis as in the past; their directors should be replaced and their profits reduced to what is needed to improve their services and expand their national network."

9204

CSO: 3248/371

## DE LA MADRID SUBMITS DRAFT BUDGET TO CONGRESS

## Expenditures Outlined

Mexico City EXCELSIOR in Spanish 10 Dec 82 pp 1-A, 10-A, 34-A, 35-A

[Article by Guillermo C. Zetina]

[Text] President Miguel de la Madrid yesterday submitted to Congress his Draft Expenditures Budget for 1983. The budget is realistic; rejects "the populist illusion"; aims at more solid, efficient and just development; calls for rationalization, austerity and discipline; estimates a 478 billion peso surplus for government-run enterprises as a result of hikes in public service fees; proposes savings of 453 billion pesos in the central sector; estimates a deficit of 721 billion pesos and earmarks 2.8 trillion pesos to pay off the country's foreign debt.

The budget bill's main goals are to reduce the public sector deficit from 15 to 8.5 percent, to create between 500,000 and 700,000 jobs and to give priority attention to education, health care, social security, the countryside and transportation infrastructure. It allocates 443.8 billion pesos for Education; 276.6 billion for Patrimony and Industrial Development; 176.2 billion for Agriculture and Water Resources; 157.6 billion for Finance; 154.2 billion for Communications and Transport, and 136.6 billion for Commerce.

Public investment by the Federal Government will hit 771.39 billion pesos in 1983, compared to 424.321 billion this year, an increase of 81.8 percent. For their part, the government-run enterprises will invest 580.131 billion pesos, compared to 514.155 billion this year, up 12.8 percent.

The president also submitted the draft of the Federation's Revenue Law for 1983, plus a series of miscellaneous fiscal measures to complement the government's economic strategy. In the document entitled "General Views on Economic Policy for the Revenue Bill and the Draft Expenditures Budget of the Federation for 1983," President De la Madrid points out that the economic decisions that he is proposing are not designed to immediately put the country's financial house in order; rather, they seek a sweeping realignment of the national economy. He goes on to

say that, in view of the crisis, "we can see the eloquence of the maxim that egoism or personal wealth or salvation is not possible in an impoverished community. It is the wealth and strength of the community that will make possible the tranquility and well-being of citizens, families and social groups."

In reasserting that the situation is grave, President De la Madrid pointed out that "the continuity of the development process and its very foundations are in jeopardy. What is even more grave, if we continue along this path, the country's viability as an independent nation could be in jeopardy."

He also states that the economic reorganization programs aims at fighting inflation, exchange instability and foreign exchange scarcity; protecting jobs and industry through reforms such as boosting savings and supplies of foreign exchange; enhancing the efficiency of the country's production machine and correcting its deep-seated social inequalities.

#### Changes in Format

The draft budget contains changes to facilitate an understanding of its social and economic impact. For the first time the expenditures budget of the Federal Government and of the government-run enterprises and the debt budget are presented separately. The Federal Government's expenditures budget totals 2.3 trillion pesos, up 43.7 percent. The government-run enterprises are allocated 1.9 trillion pesos, up 29.7 percent, and the draft debt budget totals 2.8 trillion, up close to 100 percent over 1982. Thus, programable expenditures with economic repercussions, excluding debt servicing and state revenue-sharing, total 3.7 trillion pesos, up 37 percent from the expected figure this year.

With this expenditures budget the Federal Government will take care of its most urgent outlays in the face of the difficult economic situation while, at the same time, seeking to cut inflation substantially, execute basic social programs, prevent a further loss of jobs, continue subsidizing basic consumer items and insuring that foodstuffs are available and provide public services. In addition, the government seeks to once again make outlays a tool for economic and social development.

The budget strategy has three main fronts:

1. A sectoral and regional reorientation of budget allocations to shore up priorities in spending for education, human settlements, health care and social security, communications and transport, the farm sector and the supply of staple foods. In contrast, less stress is placed on the energy, industrial and administrative sectors;
2. A revitalization of public savings, to support the investment program, which is the foundation of economic potential and an engine of structural change, and;

3. A realignment of the regulatory and organizational framework, to modernize the bureaucracy and make it more efficient. The ultimate goal is to do away with waste and boondoggles, dishonest practices and the siphoning off of funds for improper purposes.

#### No New Government Posts in 1983

The Draft 1983 Expenditures Budget stipulates that no new government posts will be established in 1983, except the minimum number necessary for services and social welfare, as well as for national security. Purchases are being cut to those that are strictly essential, especially overseas purchases. There are no funds for the acquisition of vehicles for administrative purposes or for the use of civil servants in government agencies or enterprises. There are no provisions for the procurement or renting of furniture, equipment or land for government administrative offices. Tied up or idle funds will be avoided. Nonessential spending will be eliminated or cut, such as for congresses and conventions; petty-cash expenditures for administrative offices; publicity and information outlays; budgeting for advisory services, studies and projects, and overseas travel and grants.

Civil servant fringe benefits are regulated and cut to the minimum. The most urgent public works projects will be continued, while projects with a longer lead time are being postponed. Investment for new projects will not be authorized, except for those projects commensurate with established priorities. Moreover, subsidies and transfers will be subjected to stricter criteria of equity and austerity and to a finer screening of products and markets.

#### Authority for Programing and Budget Secretariat

The draft expenditures budget grants "wideranging" powers to the Secretariat of Programing and Budget "so that every expenditure charged to the Treasury is duly justified and verified as complying with the law, and it shall do whatever necessary to establish responsibilities and apply the corresponding sanctions when, pursuant to investigations, expenditures were made that are deemed harmful to the interests of the Federal Treasury."

The secretariat will also see to it that commitments exceeding the authorized expenditure amount are not made and will not recognize debts or payment requests or outlays made in violation of the provisions of this paragraph. "The heads or directors of federal agencies and entities shall be held responsible for contracting obligations exceeding the budgetary limits approved for them or for authorizing outlays that prevent public services from being provided, within their authorized budget, during the entire fiscal year, and the secretary of programing and budget shall be held responsible for authorizing such obligations, except as provided for in Article 10 of this decree."

Section Two of the decree sets forth the budget rationalization, austerity and discipline measures. Government agencies must comply strictly with

the levels established in the tables of salaries, allotments, price scales and other allocations authorized by the Programing and Budget Secretariat (SPP), as well as those listed in the Federal Government's general catalogue of posts. They must refrain from fee contract outlays that in any way entail an increase, with respect to 1982, in the number of relative contracts and in the scheduled allocations. They must also eliminate compensation of any kind for sitting on boards, councils, technical committees, etc, as well as entertainment expenses.

#### Entertainment Expenses Ended

The government must reduce part-time administrative personnel to the essential minimum and refrain from creating new positions. It will not be able to acquire land, air or sea vehicles, except those needed to safeguard national security and sovereignty. Petty-cash, ceremonial and social expenditures are canceled, such as overseas personnel, advisory services, studies and investigations, and official publicity and publications. Expenditures for congresses, conventions, fairs, festivals and expositions are abolished.

Under the decree, the government will not grant subsidies or allocations unless the objectives, beneficiaries, intended use, time frame and conditions are clearly specified. The Secretariat of Finance and Public Credit is empowered to monitor and assess the results of tax breaks: "Failure to render audited accounts shall be grounds for the immediate suspension of the funds that would have subsequently been authorized and for the reimbursement of what has been furnished."

The SPP will also refrain from authorizing subsidies, grants or aid that do not help to attain the objectives of the approved programs or that are not of social benefit.

#### Transfers to States Limited

According to the draft expenditures budget decree, the president can refrain from providing subsidies to the states and municipalities whose local ordinances include taxes, regardless of what they might be called, in violation of Article 73, Section 29, Article 117 Section 5 and Article 131 of the Constitution concerning the revenue sources that are exclusively the Federal Government's.

He can also refrain from providing subsidies to and from arranging services and investment cooperation programs with the states that tax the wages and salaries of federal workers.

Article 37 states that the SPP will take steps to dissolve, liquidate or abolish, as soon as possible, the government-run entities that are not meeting their social goals or whose operations are no longer deemed advantageous from the standpoint of the national economy or for the public interest. In addition, it will propose the merging of other entities whose combined activities would enhance their efficiency and productivity.

The president notes that spending cuts entail strict budget austerity in the form of steps to eliminate waste, ostentation and unproductive work. "In the central sector the elimination of nonpriority spending and measures to boost revenue will make possible savings of 453 billion pesos, before transfers to budgeted agencies and enterprises, reversing the trend as of 1982. After transfers, government revenues to finance capital spending total 192 billion pesos."

The document submitted to the legislators and which was then turned over to committee asserts that Federal Government revenues and expenditures will result in a deficit of 721.8 billion pesos, which is lower than the expected 1982 deficit and which will be financed mainly with domestic borrowing.

#### Surplus for Government-Run Enterprises

As far as government-run agencies and enterprises are concerned, the document notes that "price and rate measures will make possible an operating surplus of 478 billion pesos in 1983. However, the 542 billion pesos in interest payments will bring about dissavings of 64 billion in the current account. The reason for this deficit is that the pricing and rate measures, the realignment of spending and its greater productivity will not make themselves felt until the medium term."

The budget bill includes the general table of monthly salaries of Federal Government workers. For example, the president of the republic receives a monthly salary of 1 million pesos, including bonus and compensation, from which is deducted almost 520,000 pesos in income tax, contributions, life insurance and retirement fund payments.

The total salary of a cabinet secretary is set at a half-million pesos a month, with withholdings of almost 244,000 pesos. An undersecretary makes 250,000 pesos, with 107,000 withheld. A chief clerk [official mayor] makes 150,000 pesos a month, with 55,000 withheld. A general coordinator of cabinet secretariats earns 125,000 a month, with 43,000 withheld. A private secretary of a cabinet secretary will earn as much as a director, 115,000 pesos, with almost 39,000 a month withheld. This is the first time that the salaries and withholdings of the highest public officials have been made public.

#### Debt Servicing

The draft budget allocates 2.822 trillion pesos for paying off foreign debts next year, 1.707 trillion in federal debt and the remainder in government agency and enterprise borrowing.

The document notes that the trend in debt servicing payments is upward, as a result of the decline in government revenues due to lower than expected oil exports, the inelasticity of tax revenues and the increase of hidden subsidies in public sector prices and rates.

It also reflects the impact of the restrictive policies that the developed countries have imposed to cope with their internal liquidity crises, as well as the rise in interest rates on world markets.

"This has caused the borrowing costs of countries like Mexico to record an unprecedented jump and has worsened international trade problems with sharply recessionary symptoms."

Of the total budgeted debt servicing payments, 62.7 percent are for Federal Government borrowing and 37.3 percent for agency and enterprise borrowing. The former is up 105 percent over 1982 and the latter up about 68 percent.

The breakdown of the debt into its external and internal components will show the greater relative weight of the foreign debt. Budgetary outlays for foreign debt servicing, which could vary depending on the rescheduling arrangement under study, total 2.821 trillion pesos.

President De la Madrid included the following table in his draft:

Debt Servicing Program (in billions of pesos)

<u>Category</u>	<u>1982 (Expected)</u>	<u>1983 (projected)</u>
Federal Government	886.3	1,706.8
Interest	435.1	967.6
Amortization	311.2	564.2
Other [Adefas?]	140.0	175.0
Budgeted Agencies and Enterprises	550.3	1,115.1
Interest	256.8	746.3
Amortization	293.5	368.8

#### Foreign Exchange Budget

For the first time a foreign exchange budget for the public sector is included as an integral part of the Federal Government's Expenditures Budget, to make sure that the management of foreign exchange is consistent with the objectives of the government's economic strategy.

Foreign exchange inflows from sales of merchandise and services, especially sales of hydrocarbons, are expected to total \$16.4 billion dollars, and the feeling is that overseas sales of crude oil and natural gas could rise while domestic consumption drops.

Foreign exchange outlays are estimated at about \$15 billion, 40 percent for imports of merchandise and services and 60 percent for debt servicing. Government-run agencies and enterprises will spend 72 percent of the foreign exchange, with Federal Government agencies spending the remainder.



A comparison of foreign exchange outlays and inflows shows that we will have a surplus of \$1.4 billion.

The document points out that continuing difficulties are expected in meeting all foreign exchange demands; nonetheless, this problem should be alleviated as the economic reorganization program takes effect.

The document also points out that in view of this tight situation the squandering of scarce foreign exchange must cease immediately and that it must be utilized efficiently and in strict compliance with national priorities.

It also points out that the public sector plays an extremely important role in the foreign exchange balance sheet, inasmuch as it has become the main source of foreign exchange (almost 60 percent of the total), as well as a major user (about 35 percent). The rise in public sector imports stems from the need to meet the population's foodstuff requirements and the requirements of government enterprise production capacity.

The basic objectives of the foreign exchange budget in the short run are:

To program overseas purchases so that funds are always available for the execution of programs, and to select suppliers that offer the best sales terms;

To guide and expand import-substitution programs and to rationalize them in accordance with the demands of economic growth;

To promote exports by supporting the programs of public enterprises that have a chance to compete in international markets;

To precisely ascertain the available supplies of foreign exchange in the sector in order to make the proper provisions regarding foreign currency requirements or, as the case may be, what is available for uses outside the public sector;

To draw up an accounting summary that reflects developments in the sector's balance of payments, so as to analyze the repercussions of external economies on its activities.

As far as the public sector's use of foreign exchange in 1983 is concerned, the document notes that the following guidelines and priorities will be observed:

First, foreign debt servicing.

Second, the supply of staple foods and basic items the domestic production of which is inadequate.

Third, the acquisition of inputs, machinery and equipment required by the agencies, branches and enterprises that provide public services and produce strategic goods.

Finally, the document asserts, the foreign exchange requirements for all of these priorities will be pared back to the essential minimum for the operations of the public sector's production machine.

#### Public Spending Policy

Because of the scarcity of domestic funds and of foreign financing and due to the low productivity in the manufacture of goods and the provision of public services, an unprecedented effort will be required in 1983 to make government spending more efficient. The top social priority will be to enhance the functioning of what we have, rather than opting for growth for growth's sake. Moreover, improvisation will have to be replaced by careful policy planning.

So says the Draft Expenditures Budget of the Federal Government that President Miguel de la Madrid Hurtado submitted to the Chamber of Deputies. In the accompanying decree he points out that the magnitude of the public sector's financial deficit is such that even with substantial efforts to rationalize current spending and with the scheduled rise in public savings, the investment program can be expanded only minimally in the short run, though with a new direction.

The overhauling of the investment program will not entail uniform, indiscriminate cuts; rather, it will be based on careful planning in accordance with established priorities.

The sectors that will receive priority attention in the 1983 government spending policy will be the ones that help the nation cope with its pressing social problems, such as unemployment, the underuse of existing operating capacity, inflation and foreign exchange shortages.

Changes in the execution of the budget include the establishment of career civil service; the development of efficient management standards; the enhancement and, as the case may be, the modification of program and accounting controls; and the establishment of an integrated information system for decision-making and follow-up, which will, in turn, promote closer links between programming and budget.

#### Compensating Fiscal Efforts

The decree sent to the Chamber of Deputies states that the foreign financing squeeze that the country is currently in and the sector's narrowed income and savings base will be offset by major efforts in the area of fiscal policy and in prices and rates.

Budget strategy will be pursued on three fronts. The first calls for the sectoral and regional reorientation of budget allocations to bolster

the priorities of the development strategy, with emphasis on spending for education, human settlements, health care and social security, communications and transportation, and supplies of staple foods.

Support for the energy, industrial and public administration sectors will decline. Backing will go to programs that help to generate large numbers of jobs, that combat inflation and that bolster production.

The second line of the draft budget's strategy aims at spurring government savings. Steps will be taken in the areas of personal services, transfers and subsidies, procurement, construction and other expenditure categories, to see that such outlays are made in a strict spirit of sobriety, discipline, efficiency and honesty.

The third element in the strategy is to overhaul the regulatory and organizational framework to modernize the bureaucracy and make it more efficient. This will help to do away with waste, dishonest practices and the siphoning off of funds.

The decree acknowledges that these goals will be difficult to achieve because of the following constraints, among others: the excessive use of internal and external credit as a major source of financing and as a way to offset the inadequacy of government savings; and the sharp increase in personnel hiring in recent years, which entails some unproductivity among human resources and which pushes spending higher.

Moreover, the absence of systematic criteria in the application of subsidy and transfer policy works against government savings and hampers the attainment of development goals, with these subsidies and transfers often benefiting individuals other than those whom they are supposed to aid.

In addition, the hasty construction of public works has translated into a dispersion of efforts, a squandering of resources, high levels of imports and low spending efficiency.

Furthermore, spending is inadequately monitored, which results in the failure to achieve goals and to complete programs on schedule and in budget overruns.

#### Rigid Guidelines

The execution of the 1983 budget will be subject to a series of obligatory guidelines.

In 1983 only indispensable job posts will be created in the spheres of social welfare, national security and educational services. Maximum utilization of available manpower will be the goal, through relocation of personnel, a clear-cut definition of the functions, responsibilities and attitudes associated with each government job and the elimination

of goals that do not further the aims of the development strategy. The procurement program is being cut to the minimum, especially in the case of imported goods, and tied up or idle funds will be avoided.

Funds will not be authorized for congresses, conventions, petty-cash outlays for administrative offices and publicity and information expenses, nor will monies be allocated for advisory services, studies and projects, overseas travel and grants.

Public works efforts will concentrate on consolidating the gains already made, lending continuity to the necessary projects having to do with the production of goods. Long-term projects will be postponed, especially the ones that require large amounts of imports, in favor of those that have greater domestic content and are labor-intensive. Investments will not be authorized for new projects, except those related to national priorities.

#### Equitable Subsidies

Subsidies and transfers will be granted in accordance with strict criteria of equity and austerity and will be selected on the basis of products and markets. The Federal Government will support only the public enterprises that are truly productive, and the assistance received by the enterprises that provide social services will be granted in accordance with new financing arrangements that will lead to budgetary autonomy.

Foreign exchange will no longer be earmarked to support the expansion of the industrial sector. It will be used to pay off the sector's foreign obligations and to acquire the imported inputs that it needs for its program of operations, so that it can meet domestic demand for goods and services.

The draft budget separates the proposed spending of the legislative and judicial branches from that of the Executive Branch's agencies.

It also separates the outlays of the Federal Government from the expenditures of the government-run sector, because the two have different economic and social effects.

The same methods of analysis can no longer be applied here, nor can the government's allocations be added on to the allocations of the agencies and enterprises, because this impairs an analysis of economic and monetary effects and leads to erroneous interpretations of government's performance.

Social and production spending had to be separated from debt servicing outlays, which have no direct impact on actual economic activity.

Debt servicing expenditures involve shifts in financial assets and liabilities but not an actual and direct supply of or demand for goods and services.

## Health Care Sector

Making health care a constitutional right is a basic commitment of the current administration, the president says in the document in reference to the health care, assistance and social security sector, inasmuch as this branch is essential to the total development of the individual and to the building of a strong nation.

As far as social security is concerned, the subsector's actions will be designed to provide comprehensive protection for the health of workers and their families. For its part, social welfare is geared to the people who are not covered by the institutional systems.

The activities of health care institutions have played a fundamental role in the decline of illness and mortality rates, in cleaning up the environment, in eradicating some diseases and in the lower incidence of others.

The following structural problems must be corrected in the medium term: the uneven development of the public health care systems and the social security systems, and the lack of coordination among institutions and their programs.

The strategy that will be adopted to tackle these problems will be to set up an organization that can coordinate services and make full use of facilities, so that efficiency is boosted and coverage expanded without lessening the quality of services.

A program to decentralize health care and social security programs will be implemented, so that, subject to agreements, local government can discharge the function that the Federal Government has been fulfilling.

Primary health care activities will be intensified during the coming 6 years so that the entire population is covered; achieving this goal requires an optimal use of the sector's resources and better organization among its institutions.

As far as cleaning up and enhancing the environment are concerned, effective monitoring will be performed to prevent pollution, develop a rational ecological awareness and enforce the regulations and guidelines for protecting and enhancing the environment.

The spending policy of the health care subsector will pursue the following goals: utilize the operating capacity of all health care institutions, to meet the people's needs; expand complementary food programs to primary school pupils; extend welfare services to totally abandoned children; alleviate the economic pressures on pensioners and retirees; defend the wages of workers; optimize the utilization of available resources to meet the demand for services and furnish these services for preventive and curative care while making use of existing capacity.

The budget allocation to achieve these goals totals 477 billion pesos, 81.2 percent of which is current spending, the rest capital.

The largest allocations to institutions are earmarked for the Secretariat of Health and Assistance, 54.4 billion; the Mexican Social Security Institute, (IMSS), 276.5 billion, which includes the funds for the IMSS-Coplamar programs; and the ISSSTE [Institute of Social Security and Services for Government Workers], 76.3 billion pesos. Six billion pesos is earmarked for the National System for the Integral Development of the Family, and 700 million for the Social Security Institute for the Mexican Armed Forces and other agencies.

## Education

In the educational sphere the Federal Government will promote the transfer to local government of the preschool, primary, secondary and teacher training education that it imparts throughout the country, as well as the corresponding funds.

To this end, the various levels of government and educational personnel will hammer out an education decentralization program and develop a strategy to implement it properly.

The following are the goals for next year. Preschool education will be provided to 2 million children between the ages of 4 and 5, and the government will be directly responsible for 76 percent of this service. The expansion of these services will benefit mainly the rural population, as steps will be taken to overcome the lack of specialized teaching personnel at this level.

Primary school education will be provided to 15.3 million pupils, with the government directly responsible for 71 percent. The government will publish textbooks to gear the content of programs to the environment in which the pupils develop, thus fostering the comprehensive development of their potential. Secondary education will attend to 4.1 million students, with public schools taking in 69 percent of them. This proposed level means giving seats to 93 percent of the students graduating from primary school.

With regard to adult education (literacy, and open primary and secondary school), opportunities will be created for them to attest to their knowledge. Steps will also be taken to foster greater interest among adults.

In intermediate higher and higher education the aim will be to make further progress in the decentralization of educational services, to boost the efficiency of terminal schooling and to improve teaching models. Teacher training will be promoted, and 1,852,000 students will be accommodated (estimated demand), 970,000 in general junior college [bachillerato general], 430,000 in preparatory technological schooling and 452,000 in terminal intermediate higher education. The Federal Government will directly accommodate 42 percent of these students.

Higher education will accomodate 1.3 million students, 1.275 million undergraduates and 25,000 postgraduates. The Federal Government, the autonomous universities, both state and national, and the state universities will provide schooling for 1,151,000 students. The enrolment in teacher-training schools will be 409,000.

In analyzing this sector, Miguel de la Madrid points out that major gains have been made in recent years in expanding educational services. Nevertheless, problems persists, such as: six million illiterates; an average schooling level of less than 5 years; a high percentage of children who do not complete grade school; imbalances in the supply of and demand for education; and some degree of inequity in the distribution of services. Furthermore, appropriate attention is not being paid to the comprehensive development of students, and higher education is not closely linked to the requirements of development.

The current administration's strategy is to overcome these problems by according priority to education, which it regards as a basic right.

The Federal Government

The Federal Government's proposed spending totals 2.31 trillion pesos. Among the branches with the largest increases are: Foreign Relations, because of the salaries and outlays in foreign currency; Commerce, because of the grain imports that CONASUPO [Government Basic Commodities Company] will need; and Communications, Transport and Human Settlements, because its programs are being given priority in view of their direct impact on job-creation.

The budget draft explains that these are the minimal outlays needed to maintain the operational levels of government branches and agencies.

Budgetary reserves total 436.1 billion pesos; they are earmarked for: Emergency Jobs Programs (23 percent); Rural and Integral Development (33 percent); Social Welfare (17 percent); Communications and Transport (16 percent) and another 11 percent for programs to guarantee supplies of basic items and staple grains that make up the bulk of the masses' diet and that are subject to weather conditions and are in short supply in various areas of the country.

The Chamber of Deputies will be duly informed in detailed fashion of how this reserve is handled and of the results arising therefrom. Subsidies have been rationalized, a move accompanied by a flexible pricing and rates policy for the goods and services that the public sector provides.

The major beneficiary agencies are the Federal Electricity Commission, with a total of 151.3 billion pesos; CONASUPO, with 109.7 billion; and National Railways of Mexico, with 61.8 billion pesos.

The Federal Government yesterday proposed a budget of 9.4 billion pesos for the tourism sector in 1983. The Tourism Secretariat was allocated 1.8 billion, with the remaining 7.6 billion going to finance sector activities, basically to consolidate existing tourism sites.

These funds will be spent to attract 3.5 million overseas visitors through rationalized promotional activities mainly in the United States, Canada, Spain, France and Japan, and to generate \$7.3 billion in foreign exchange, \$5.145 billion of which is expected from border tourism, up 18.9 percent.

In addition, efforts will be made to boost the domestic demand for popular tourism by two million workers.

The president's office pointed out in a communique that the variety and extent of the country's natural and cultural resources make tourism a major sector of the economy that generates foreign exchange and creates direct and indirect jobs, as well as being a tool for regional integration and development; in the last 2 years, however, overseas tourism has been at a virtual standstill, while Mexicans did more traveling and recorded higher average daily spending; foreign exchange inflows thus slowed.

It attributed this to the adverse impact of a gap between price increases in Mexico and in competing countries, to the maintenance of an almost stable exchange rate, to the deteriorating quality of service and to the recession in the countries from which most tourists come.

It went on to say that due to the characteristics of demand, the trend in tourist activities has been to provide for a spontaneous flow of visitors from the United States, which has led to services designed almost exclusively for this market and to the absence of a large-scale commercial organization and a service infrastructure for other types of tourism.

The current administration will seek to reverse these trends by channeling investment into and consolidating existing tourist areas, by enhancing the projects already under way and by balancing the tourism facilities for high-income groups with a mass promotion of popular tourism facilities.

Public utilities and other services related to the social well-being of the communities will be improved in tourist areas.

Domestic providers of services who can compete in foreign markets will be encouraged to organize. Concurrently, Mexico's image will be enhanced by improving the quality of direct and information services.

Next year the tourism sector will pursue the following strategies:

"To maintain competitive quality and prices in what the nation has to offer, as an unavoidable precondition for accomplishing tourism-related goals.



"To expand and concentrate overseas promotional efforts by establishing a joint organization with the private sector to push the nation's tourist facilities.

"To support the financing of lodging supplies so that demand does not exceed existing capacity and to adopt a selective approach in continuing the priority tourism projects under way that are consistent with spending policy and a rational use of resources."

Steps will also be taken to improve tourist information and assistance services; to establish regular tourist training programs geared to the activity's requirements; and to promote and support the development of popular tourism as a means of consolidating our national identity, of making good use of leisure time and of providing for the right to rest and recreation.

This year's goals include attracting 3.5 million foreign tourists; installing essential public utilities in tourist centers covering 544 hectares in Quintana Roo, Baja California Sur and Guerrero; and granting loans to private individuals to finance the construction of 8,100 hotel rooms and to revamp 2,950 others.

The Center of Spectacles, Conventions and Expositions in Acapulco will furnish food, beverage and related services to 2.7 million visitors and will take various steps to promote, organize and develop 300 incentive packages for workers and their families.

#### Spending in the Industrial Sector

The new strategy for the development of the industrial sector, which the president made public yesterday along with the expenditures budget, "seeks to pick up the pace of production and redirect output towards supplying the domestic market for basic items, capital goods and strategic and technological inputs and to subject to ongoing review the tools for promoting, supporting and financing the production of export goods."

The sector's objectives are said to be: to generate permanent, well-paying jobs, to achieve an adequate production of mass consumption items, to consolidate in the medium term the orderly decentralization of industry towards our coasts, borders and priority regions, to develop high-productivity branches and to coordinate big business with small and medium-sized business.

To pursue this policy 270 billion pesos are scheduled to go into industry, with the following breakdown by agency: Secretariat of Patrimony and Industrial Promotion, 3.4 billion pesos; Mexican Fertilizers, 80.9 billion; National Diesel, 41.5 billion; Lazaro Cardenas-Las Truchas Iron and Steel, 40.4 billion; the sugar subsector, 19.4 billion; the National Railway Cars Construction Company, 12.9 billion; National Iron and Steel, 7.3 billion; the mining subsector, 10.4 billion, and other agencies and investment projects, 53.3 billion pesos.

As far as mining is concerned, the increased costs of production and capital goods and the price fluctuations of the main export metals are said to be this subsector's most serious problems. Therefore, the basic purpose of mining policy in 1983 will be to support and promote small and medium-sized producers so as to create jobs, obtain foreign exchange and replace imports.

It was reported that the Federal Government would expand its role in 19 mining enterprises in which it is a majority partner and in 18 in which it is a minority partner. Some 10.9 billion pesos has been allotted to the development of metal and nonmetal mining, so that government-run enterprises can hopefully produce 2.8 billion troy ounces of silver, 14,000 troy ounces of gold, 900 tons of copper and 650,000 tons of phosphoric rock.

The output of the government-run iron and steel industry in 1983 is supposed to be 4.1 million tons of liquid steel and 3 million tons of finished products. Some 54.2 billion pesos is earmarked for this subsector to cover its operations and investment program.

The sugar industry will reportedly be receiving 20.7 billion pesos, to achieve an expected output of 1.9 million tons of sugar in the 1982-1983 season.

#### Communications Sector to Receive Attention

The country's transportation and communications system is extensive and complex, but in recent years it has been shown to lack the flexibility, capacity and efficiency to meet Mexico's current needs, Section 26 of the budget says.

Some of the reasons for this problem are the concentration of human settlements, the recent demand for the transportation of people and goods, the rapid increase in the number of cars, and the need to link regions and population centers. Another adverse factor is the relatively minor budget allocations that this sector has received in recent years.

The communications and transportation sector will receive priority attention in spending policy in 1983. Activities will be reorganized, and funds will be earmarked to modernize the main highway network and railways. Also, the projects under way to improve commercial ports and conclude the first stage of the industrial ports will be carried on.

Proposed spending in the sector in 1983 totals 340.4 billion pesos, 85 percent in transportation and 15 percent in communications.

The main goals are: the construction of 348 kilometers along 27 highways, foremost among which are Temascaltepec-Zihuatanejo, Playa Azul-Coahuayana and Pochutla-Salina Cruz; the upkeep on 41,500 kilometers of the federal road system and on 74,000 kilometers of rural roads; and the rebuilding of 735 kilometers of the main network. Construction will continue on the Tampico and Coatzacoalcos II bridges.

Projected spending on railways in 1983 totals 99.1 billion pesos, with particular emphasis on programs to maintain the tracks and to service and quickly reincorporate locomotives and cars. Twenty-one locomotives and 1,710 cars will be purchased to meet increased demand and the need to replace equipment.

The installation of the centralized traffic control system on the Mexico City-Monterrey and Mexico City-Guadalajara routes will be completed. The projects under way to rectify curves and grades along various sections of the main lines will also be completed, and funds will be allocated to finish the double tracks on the Huehuetoca-Queretaro stretch of the Mexico City-Queretaro route and on the Los Reyes-Cordoba stretch of the Mexico City-Veracruz route, as well as along the Salinas-Laguna Seca stretch of the new direct link between Guadalajara and Monterrey.

Investments are being restricted in 1983 to the minimum necessary to complete the projects under way in the national airports system, and priority will be given to the maintenance and rationalization of operations.

In the area of telecommunications, the federal microwave network will be modified and modernized; the satellite network will be expanded; rural telephone service will be extended, and the public data transmission network will be consolidated. This will accomplish the following: 230,000 new telephones will be installed in urban areas, bringing the total to 5.9 million, and 3,000 additional teleprinters will be installed for telex service, bringing the total number of subscribers to 19,000. The telegraph service expects to handle 60 million messages, and the post office will process 129,054 tons of mail.

#### Government-Run Enterprises

The productivity and efficiency of government enterprises have been below optimum levels. Great potential exists for enhancing the productivity of labor and the efficiency of administration in these enterprises, so that they can better fulfill the social responsibility for which they were created.

The budget of the government-run agencies and enterprises totals 1.9691 trillion pesos, up 29.7 percent over 1982.

These agencies and enterprises account for a high percentage of the Gross Domestic Product. They produce all of the oil for the country's consumption, a major part of its fertilizers and steel and most of its electricity, provide all rail and air transport and telephone services and furnish social security to more than half of the nation's people. They are the foundation of Mexico's economic development, the document indicates.

The range of activities has created a wideranging and complex structure of government-run bodies that has led to problems of monitoring and planning, of financial management in terms of social goals and of productivity and efficiency, gauged by a yardstick other than the profitability of private enterprise.

There have been limitations and shortcomings in the area of monitoring and planning because of the absence of a comprehensive scheme for public enterprise planning, both across the board and by sectors, and of an effective and timely monitoring system that would enable the general supervisory agencies and the sector coordination agencies to monitor the functional and overall trends in the revenues, outlays and financing of these government-run bodies.

The financial management of these areas has followed criteria of social welfare, which has caused their financial status to deteriorate, inasmuch as prices have been kept below costs due to gradual but mounting inflation. This has turned out to be an increasing financial burden to the Federal Government.

It is imperative, the document asserts, at the present juncture to modify government enterprise policy to achieve the following goals:

- A price and rate structure consistent with cost movements and that balances financial aims with the economic social objective.

- A more efficient use of inputs and material and human resources to boost productivity as a means of fighting inflation; greater compatibility between the economic-social objective and the goal of straightening out government finances, through an increase in current savings that generates funds for financing investment programs and helps to revive the economy and create jobs.

This budget is based, on the one hand, on discipline, austerity and the reordering of priorities and, on the other, on a flexible policy of prices and rates for goods and services provided by the main state-run agencies and enterprises, so as to cut subsidies for the rest of the economy.

Operating costs are up a nominal 45.8 percent. The breakdown shows that the greatest increase is in outlays for materials and supplies, up 72.7 and 53 percent respectively, while personal services expenses are up 35 percent.

Capital outlays, more than 70 percent of which are earmarked for projects to expand and maintain the production capacity of government agencies and enterprises, are up just 13 percent, mainly because of Pemex's low spending pace.

The agencies and enterprises that provide goods and services will absorb 53.5 percent of the spending for institutions; welfare and social security agencies, 19.8 percent; regulatory and supply agencies, 14 percent; and transportation, 6.7 percent, with 5.8 percent left over.

## National Security

The budget for the national security sector totals 57.8 billion pesos, up 20.9 percent from 1982.

The Defense Secretariat will receive 37.9 billion and the Navy Secretariat will be getting 14.4 billion.

Domestic security will continue to be safeguarded through the reinforcement of strategic military installations and the mobilization of troops.

The government will seek to close the account on our F-5 aircraft, which guarantee greater security in our air space.

The navy's budget is earmarked in particular for the surveillance of 128 billion nautical miles, the safeguarding of sea, river and lake traffic and salvage operations.

Strategic military installations will be reinforced, and continuing support will be given to civil authorities in the event of disasters and in rendering services in underprivileged areas.

The navy will continue the projects it began in 1981.

Ten "Tonatiuh" naval air units, 10 "Aztec" patrol vessels, 24 spill cleanup barges, 6 "Halcon" coastguard cutters and 4 tuna boats will be constructed.

Six coastguard cutters, two destroyers and other smaller vessels will be incorporated to bolster surveillance in strategic zones.

The Defense Secretariat will continue to strengthen the national military service system, expand the national radar network, reinforce our troops and provide them with equipment.

The Federal Government will adopt a differential pricing system and will adapt and integrate transport and infrastructure to save energy and apportion its costs fairly, the president announced yesterday in the energy section of his expenditures budget.

He states that the goal of oil policy in 1983 is to meet domestic demand and to export 1.5 million barrels a day. Exportation and development activities, which were top priorities in recent years, will be scaled back to a level that will enable the country to maintain the current ratio between output and reserves without jeopardizing future supplies. The funds earmarked for operations programs total 343.8 billion pesos, with 316.7 billion going to the investment program.

The president says that a new electricity pricing policy must be applied to discourage the wasteful consumption by middle- and high-income groups

and by industry and services without substantially affecting the household consumption of the masses. He goes on to say that the investment program will require 164.6 billion pesos to boost generating capacity to 1,239 megawatts.

The president reported that in the medium term oil policy would aim at correcting national economic imbalances through appropriate energy supplies at equitable prices in keeping with costs. The government will also seek to prevent imbalances between the growth of the oil sector and the social development of the oil-producing regions by implementing and coordinating projects so that they eliminate the distortions caused by the sector's growth. "The balance between the expansion of the oil sector and the expansion of other basic production sectors will be looked after."

The goals of electricity policy are to meet demand opportunely and efficiently, to diversify energy sources and, in particular, to rationalize consumption. The aims of timely supplies and rationalized consumption are factors in forecasts of future demand and, thus, in investment planning. "The great challenge in implementing this policy is to strike a balance between the two." Funds will be spent to generate 75,750 gWh, up 7 percent from 1982, to serve 1,368 towns with 764,822 inhabitants, while electric power will be furnished to 8,510,893 new users.

#### Overhaul of Government Spending

The 1983 budget investment program that the president proposed to the Chamber of Deputies totals 1.226 trillion pesos, a 42 percent nominal increase.

Public works will be vigorously revamped; haste, lack of planning, waste and dishonesty will be avoided; investments in industry will be reviewed in particular because the point is that government investment should not cause imbalances and bottlenecks in economic infrastructure, which would rekindle inflation and external imbalances.

The president pointed out that "there have been examples of waste and lack of planning" in government investment. Furthermore, even though sector allocations of investment funds were in the form of medium-term plans, the execution of investments in many cases did not follow these plans, which has led to a channeling of government investment into non-priority areas and to a lack of coordination in investment among inter-related sectors, thus reducing the public sector's economic surplus.

The new program has also been proposed because projects have been started on countless fronts, which has caused efforts to be spread thin and made spending less productive.

The president pointed out: "We cannot continue to finance heavy investments that exceed our current financial capabilities and that in the long run will jeopardize the benefits we seek to obtain because of the impact of the recurring social costs of the economic crisis."

He explained that the adjustments would be selective, even in the energy and fishing sectors. The latter has enough catch capacity to meet domestic demand and market products overseas.

The president also stressed that government investment was the spending category that would bear the brunt of the economic reorganization.

#### Personal Services Program

With regard to the Personal Services Program, the budget stipulates that in order to abolish the rigidity of allocations to pay for personal services and to make remuneration uniform and above board, as a major element in the moral renewal, it is essential to adopt an administration system for federal personnel that will guarantee the efficiency and modernize the structure of the public sector's manpower.

It also notes that characteristics of federal employment are presently defined in only the most general way and, therefore, there is no unified policy for all branches and entities that encompasses employee income and the termination of the employer-employee relationship.

It also explains that the General Catalogue of Federal Government Posts will list the functions of each post and establish the requirements for hiring, in order to facilitate the recruitment and selection of the personnel that are best suited to each branch. In addition, Personnel Training and Development Programs can be geared to the actual organizational and functional demands of the branches.

After disclosing that the General Catalogue of Federal Government Posts lists 1,200 positions in 10 groups and 99 branches, the document states:

"The process of restructuring base salaries began last 1 September, and through successive approximations we will gradually implement the General Table of Salaries over the coming 6 years."

#### The Judiciary and Legislature

The budget of the Federal Judiciary will be 2.8 billion pesos, and the legislature will receive 1.5 billion, which is down 42 percent from 1982 "due to the postponement of legislative projects."

The judiciary's budget will be used to create three circuit courts and five circuit tribunals, as well as the Institute of Judicial Specialization.

The document acknowledges that the simplification and expediting of judicial proceedings have not been carried out at the desired pace and that it is therefore imperative to consolidate each and every one of the programs under way, to conduct more in-depth analyses of judicial procedure and to improve the evaluation and control systems needed to integrate them.

With regard to the legislature, the role of Congress will be expanded and strengthened as a forum for discussing national problems and taking proper legislative action, with the fullest respect always guaranteed for the nation's various political persuasions.

#### The Cabinet

The policy of the Office of Attorney General of the Republic is to bolster the activities of the Federal Public Ministry as the protector of individual and social rights. Its budget allocation totals 3.1 billion pesos.

The sum proposed by the president is the minimum it needs to continue its functions (3.6 billion pesos).

In 1983 the government will have to consolidate the political foundations of the states and municipalities; introduce mass media techniques to achieve better communication between it and the people, while promoting social and cultural values, and lend unwavering support to freedom of expression and information. The Government Secretariat is scheduled to receive 8.1 billion pesos in 1983.

Pursuant to the budgetary criteria for 1983, the allocation for the Secretariat of Foreign Relations is 10.1 billion pesos.

Surmounting current financial obstacles and strengthening the government's capabilities as a promoter of national development are fundamental goals of financial policy, and therefore the Secretariat of Finance and Public Credit will strive to enhance the efficiency of support functions and of general guidance, to boost tax revenues and to reduce evasion and smuggling.

This secretariat is scheduled to receive 34.7 billion pesos for the 1983 fiscal year.

The fundamental aims of the Secretariat of Programing and Budget will be to continue consolidating the medium-term planning and programing process and its links with the annual budget; to support the integration of national statistical, geographic, economic and social information and data processing services; to upgrade the economic policy follow-up systems; spur training; back regional development and promote the development of the nation's capacity to generate, publicize, select, adopt and apply scientific and technological know-how. This secretariat's proposed budget totals 11.8 billion pesos.

The priority of the Labor and Social Welfare Secretariat will be to back the creation of more than 500,000 jobs with its proposed budget allocation of 3.2 billion pesos. It will also back moves to set the minimum wage, promote mechanisms for the marketing of low-cost goods and conduct campaigns to help workers spend their money more wisely.



## The Fishing Sector

The current administration's strategy for fishing development is geared towards a rational and more efficient development of ocean resources, the promotion of aquiculture and encouraging the consumption of seafood, inasmuch as only three percent of the population eats fish (which is due both to high prices and dietary traditions).

The proposed allocation for 1983 totals 58.5 billion pesos, with the following breakdown: 7.2 billion for the Fishing Secretariat; 47.1 billion for controlled organizations, and 4.2 billion in transfers to other organizations.

The goal of this spending is to expand the sector, so that the various stages of production and distribution develop harmoniously. The catch of government-run enterprise vessels will be restricted to the fleet in operation, and the fleet under construction will be pared back.

The government realizes that substandard conditions still prevail in fishing communities; that fishing ports and industrial parks are operating at minimum efficiency; that current marketing systems foster disinvestment and high prices and that the sector's technology is obsolete and inadequate. Furthermore, there are organizational problems, and the judicial system hampers the development of fishing.

The strategy is to expand the industrial processing of the product, so that greater supplies are available at lower prices. The minimal operational stages will be completed at fishing ports, and the basic infrastructure in rural communities will be rounded out.

In the area of aquiculture, several fish farms are expected to be completed, and projects will continue to enhance the ecology of estuary and lake systems. The operational stages of industrial plants will be completed, as will the overhauling of 24 shrimp plants that were acquired under joint ownership with the fishing cooperatives. The storage capacity for the raw material will also continue to be expanded.

Steps will be taken to integrate the marketing system better by integrating distribution. The state-run enterprises in charge of domestic marketing will be revamped. In addition, as part of the medium-term development policy, the surveys and assessments of the exclusive economic zone will be speeded up.

In conclusion, obligations to shipowners will be taken care of, and working capital and fixed investment loans will be awarded to the cooperatives. The Fadep Trust Fund will handle most of the former, and the latter will be channeled through Banpesca. Both institutions will strive to increase their loan recoveries.

## Commerce

In this sector the government will strengthen its price regulation and monitoring activities and undertake specific action to "develop the commercial infrastructure and rationalize its utilization."

To this end the sector will require 318.4 billion pesos over the coming 12 months in view of "the priority it has in the Immediate Economic Reorganization Program, inasmuch as it is responsible for distributing and regulating staple goods, running the National Supply System, supporting the government-run industries and reviewing and updating pertinent legislation."

The budget breakdown looks like this: 6.4 billion for the Commerce Secretariat; 241.5 billion for CONASUPO; 3.7 billion for the Mexican Institute of Foreign Trade, and 6.8 billion for the coordinating agencies and related organizations.

In addition to promoting sufficient and timely supplies of necessary items "at affordable prices," special attention will be paid "to the northern border" and to protecting the interests of consumers.

The budget clearly proposes that CONASUPO regulate the market for staple goods, to which end it will offer incentives for production and the "efficient regional organization of markets." The government-run agency will seek to boost the earnings of producers.

The government proposes to regulate foreign trade, while informing the export communities about the sales opportunities overseas, incentive packages and the use of international fairs and expositions to spur the development of exports to the extent possible.

The budget allocation totals 613.1 billion pesos, 503.1 billion of which is from shares of federal revenues, up 124.6 percent from 1982.

Priority programs will receive 70 percent of the funds, compared to 50 percent in 1982, and will aim at maintaining and gradually expanding basic utilities such as drinking water and sewers, supporting the farm sector to sustain food production and promoting rural development.

Other goals will be to back the maintenance and construction of state highways and rural roads, in order to create jobs and better integrate the national highway system, and to maintain the coverage of health care and educational services.

Regarding the State Investment Programs (PIE) the president states that their main goals are the construction of 8,932 primary and secondary school classrooms, maintaining 48,600 kilometers of the state highway network, the construction of 4,329 kilometers of rural roads and enhancing health care services by overhauling and reoutfitting 1,383 health care centers and providing drinking water to close to 520,000 inhabitants.

With respect to the Rural Development Investment Program (PIDER), the president states that the share of production programs has risen from 52 percent in 1982 to 55 percent in 1983, with the share of support programs down from 39 to 36 percent and social welfare activities holding steady at 9 percent.

PIDER's priority operating goals next year are to irrigate an additional 21,200 hectares, to reclaim 71,350 hectares of unirrigated farmland, to reclaim and plant 39,100 hectares of fruit orchards and to expand the 6,300-ton catch capacity of various fish species.

Other goals are a 1,400-hectare expansion of the infrastructure for hydroponics, the construction of 2,000 kilometers of rural roads, the installation and overhaul of drinking water systems serving 95,000 individuals and the construction of 30 classrooms.

The Coplamar Program will undertake more than 1,300 drinking water projects, set up and run 2,032 job cooperatives, supply and market 2.5 million tons of staple items, electrify 366 towns and give loans and technical assistance to peasant farmers tilling 598,000 hectares.

#### Agriculture and Livestock

Budgeting for the rural development sector totals 546.3 billion pesos, of which the Secretariat of Agriculture and Water Resources will control 14.6 billion; Agrarian Reform, 8.9 billion; the CUC, PIDER and Coplamar, 71.6 billion; INMECAFE [Mexican Coffee Institute], 23.3 billion; Proformex, 1.6 billion; Forestal Vicente Guerrero, 1 billion, while 313.6 billion pesos will be channeled in the form of subsidies to the states, special programs and support for other rural development organizations.

The 1983 expenditures budget gives for the following breakdown for these 313.6 billion pesos: the National Rural Credit Bank will handle 67 billion; National Agriculture and Livestock Underwriting, 12 billion, and the Shared Risk Trust Fund, 10.8 billion pesos.

The rural development sector is divided into the following subsectors: agriculture, livestock, forestry and Agrarian Reform. One of the latter's main goals will be to remove the obstacles to the distribution of land, and the government feels that this subsector will have to accomplish its objectives through "political resolve and institutional organization" rather than with budget funding.

The Secretariat of the Agrarian Reform will have a budget similar to 1982's and will spend its 10.7 billion pesos to provide security for the various types of land tenure, resolve agrarian conflicts as promptly as possible and promote the collective and cooperative organization of labor in the countryside.

The bill that the chief executive submitted to the Chamber of Deputies states that the nation's sovereignty and self-determination rest on its ability to produce enough food for Mexicans.

It specifies in this regard that under proposed farm policy production goals and goals of justice will be jointly established, and progress will be made in transforming peasant farming, based on a solid and authentic social and economic organization for comprehensive rural development that enhances the efficiency of government support to achieve, as soon as possible and at the lowest cost, the technological changes that are essential to boosting farm and forestry productivity and output and to improving the living conditions of rural dwellers.

Therefore, actions that run counter to major support for peasant farmers on unirrigated land or that hamper an increase in the productivity of available resources will be penalized.

Public sector activities will be decentralized, and coordination among the agencies involved in farming will be improved.

Improvements will be sought in the area of jobs, income for the rural populace and the production of staple grains. In addition, priority programs will be consolidated, such as loan and insurance programs, subsidies for inputs and support services for farm production, with priority accorded to unirrigated areas because of their production potential and social impact.

Spending policy in the agricultural subsector in 1983 basically aims at harnessing its potential. "The countryside," the bill says, "should be able to produce sufficient foodstuffs, create more jobs, redistribute income to the benefit of peasant farmers and bring sizable foreign exchange earnings into the country."

The tasks that this subsector will undertake are: to coordinate selectively and uniformly the awarding of credit, insurance, input supplies and production infrastructure; to expand the production capacity of fertilizers, pesticides and enhanced seeds; to expand the agricultural frontier, mainly in unirrigated areas, to determine what the land can be best used for, and to reincorporate idle acreage through projects that boost production capacity.

In addition, this subsector will give preference in the area of irrigation to the small-scale projects that are under way, so that they can be completed promptly and will earmark budget funds for the completion of the dams in Tlataya and Cutzamala, Guerrero; Concordia, Chiapas, Xicotencatl, Tamaulipas, and Tlaxiaco, Hidalgo.

The production of corn, beans, wheat, rice and sesame on unirrigated land will be supported through preferential loans and comprehensive insurance coverage. Damage from pests and diseases will be reduced, and enhanced seed and technical assistance programs for growers will be continued.

Planned production goals for 1983 and beyond require opening up this year about 126,000 hectares of irrigated and 94,000 hectares of

unirrigated land, as well as the reclamation of 82,000 hectares in irrigation districts; this comes to 13, 4 and 6.5 percent of what was accomplished in these areas from 1977 to 1982.

Extension-worker technical assistance services will also be provided over an area of 9.8 million hectares.

The Mexican Coffee Institute is scheduled to market overseas 2.8 million quintals of the 6 million that the country produces. "Estimates are that coffee exports will generate \$437 million in foreign exchange."

The strategy for the livestock subsector in 1983 is to coordinate the expansion of livestock raising with the increased output of meat, milk and eggs (which has risen faster than the former); thus, steps will be taken to expand and diversify livestock development to broaden the variety of animal proteins in the people's diet.

There will be a shift in the policy for this subsector and for the forestry subsector, in which, according to the bill, the natural resources of our woodlands and jungles are not being rationally and comprehensively utilized, which has led to deforestation, erosion and the extinction of plant and animal species.

The budget bill says that to combat this a program will be undertaken to develop these resources comprehensively in the various phases of the lumber industry and to conserve them.

#### Human Settlements

The abandonment of the countryside and excessive urban growth are consequences of the centralism that has distorted the country's development and discouraged regional development, the document mentions.

It goes on to say that the centralist trend in institutions and the good intentions of the Federal Government must be regarded as the main causes of the inordinate growth of a few cities.

The regional and urban development strategy of the Human Settlements Secretariat will be to lay the necessary groundwork for a more autonomous growth of regions and human settlements, to which end it will promote rural activities in parallel with the expansion of urban activities, while restraining the growth of Mexico City and moderating that of Guadalajara and Monterrey.

With regard to drinking water, the subsector will make investments to incorporate 2.8 million new consumers and will undertake sewerage projects that will benefit 1.1 million people.

The housing program calls for the development of 51,185 building sites with public utilities and the construction of foundations for 3,546

houses, which will benefit 54,731 families, mainly through the Trust Fund for Low-Cost Housing.

The budget allocation to achieve the goals of the human settlements subsector totals 46.7 billion pesos, 31.3 billion of which are earmarked for the secretariat.

The strategy for decentralizing the nation's activities also calls for efforts to rectify inequalities and consolidate an economic development that fosters a more just society.

This sector will play a key role in 1983 in the strategy of defending jobs, and therefore more emphasis will be placed on the programs that benefit mainly the underemployed and low-income population.

The urban land speculation that adversely affects underprivileged groups will also be combated, and to this end land reserves will be set up around population centers to regulate growth and soil use.

Support will also be provided for people who build their own houses so that they do not have to undertake this costly effort alone. The government will build the utilities infrastructure and develop the construction methods and technologies that are most appropriate for lower-income groups, the budget draft states.

#### Sources of Income

Mexico City EXCELSIOR in Spanish 10 Dec 82 pp 1-A, 17-A, 37-A

[Article by J. Jesus Rangel]

[Text] The chief executive has sent to Congress the Federal Government's 1983 Fiscal Year Revenue Law. Revenues are estimated at more than 7 trillion pesos, including net foreign borrowing next year of 360 billion pesos. The Department of the Federal District's net domestic and foreign borrowing in 1983 is estimated at 75.6 billion pesos.

Under the proposals sent to Congress, the increase in federal revenues will come from extending the collection of all kinds of fees and rates (water, power, mail, highway use), abolishing tax breaks and subsidies, the establishment of a Development Financing Plan and changes in the banking system to make an engine for development.

In the Federal District President De la Madrid also proposed major changes in the real-estate tax and in water rates, among others, so that taxpayers in the capital "defray the outlays" that the city requires.

Congress was also asked to empower the Secretariat of Finance and Public Credit to take responsibility for the comprehensive policy on prices and rates. With regard to exchange rate policy, President De la Madrid pointed out that the peso had to attain its true value and that the "speculative spirit" had to come to an end.

The law calls for the Federal Government to take in 2.12805 trillion pesos in taxes; 263.31 billion in social security contributions; 959.661 billion in fees, and 5 million pesos in taxes due from previous fiscal years and not provided for in the previous sections.

Other sources of revenue are tax supplements [accesorios], 10.5 billion pesos; profits, 35.191 billion; recovery of bad debts, 35.684 billion; income from financing, 1.486052 trillion, and other revenues, 2.36659 trillion pesos.

The Executive Branch is also seeking authorization so that, through the Secretariat of Finance and Public Credit, it can contract, execute and authorize credits, loans or other forms of public borrowing, including the issuance of bonds, not to exceed the net amounts of 778 billion pesos in domestic borrowing and 360 billion pesos in overseas borrowing, under the terms of the General Public Debt Law, to finance the 1983 federal expenditures budget.

#### Support for the Economic Reorganization Program

De la Madrid stated that the economic reorganization program must be implemented without delay and that the government "is not resorting to populist rhetoric to disguise the gravity of the situation or to elicit facile support from economic agents. On the contrary, solidarity and patriotism are the goals, so that Mexico's destiny is placed above individual, sector or group interests."

Referring to revenue policy, he said that the tax package he is proposing "is drastic but unavoidable" and would demand fair sacrifices from all, which means taxing luxuries differently from basic items.

He said that income-tax rates for lower-income individuals would be reduced to partly offset inflation, which is expected to hit 100 percent this year.

He stated that he is proposing a uniform system of special tax bases for motor vehicle transport, because its tax contributions "have been minimal, and furthermore, the lack of monitoring in this sector, in comparison to other production activities, facilitates evasion."

He added that special tax bases for businesses such as gasoline stations, lumber companies and newspaper and magazine publishing firms would be abolished, and suggested that 55 percent be withheld on corporate dividends paid to individuals.

The chief executive endorsed the 6, 15 and 20 percent modifications in the value added tax and established a hydrocarbons production fee to replace the export duties and the oil tax on the domestic consumption of hydrocarbons.

He gave notice of adjustments to the tax on the ownership or use of domestically made vehicles (a 2.875-fold increase) and of up to 500,000 peso duties on imported cars.

The president said that it was considered necessary to universalize the collection of fees by abolishing exemptions such as mail and telegraph franking and free passports, among others, and that higher fees are being proposed for roads and bridges on weekends, with lower rates at night.

In the area of revenue coordination, the Federal Government is proposing to transfer 80 percent of the receipts from the tax on vehicle ownership or use to the federal agencies that have joined the system cited in the Real-Estate Acquisition Tax.

He pointed out that under the reforms of the Customs Law, customs inspection "will be performed at the taxpayer's residence upon his request" and that tax incentive policy aims at streamlining, simplifying and, in some cases, abolishing such incentives.

#### Additions to the Income Tax Law

The government is proposing to add a section to the Income Tax Law that will contain a system of automatic tax incentives to boost job-creating investments and promote the decentralization of economic activity.

In discussing the public sector's pricing and rates policy, he said that "there is a major lag in this regard, and although it is neither possible nor advantageous to make up this lag abruptly, it is our priority to move firmly in that direction." This also entails abolishing subsidies that could be administered for the greater benefit of the society as a whole.

With regard to the exchange rate, he remarked that a total financial-exchange rate balance must be achieved in the near future, that the market would be regulated and monitored and that a detailed program of foreign exchange uses would be drawn up.

He announced that the uses of foreign exchange are being reviewed and rationalized in accordance with minimum essential import requirements and the debt servicing payments that cannot be postponed. "This instrument makes possible the optimum use of the foreign credit that the economy requires."

He pointed out that a decision has been made to form financial groups to run the operations of the nationalized banks, in order to cut costs, expand their coverage and strengthen their financial structure, adding that the judicial and administrative structure of the nationalized banks would be clearly defined.



## Reorganization of the Banking System

The banking system will also be reorganized to redefine and strengthen national development banks so that they can finance economic projects for low-income earners through social investments and preferential rates and production programs through temporary venture capital investments.

He pointed out that this restructuring of the banks would enable the government to pursue a domestic borrowing policy that was more independent of the banking system. "The government will go directly to the saving public with debt instruments of varying terms and conditions."

He reported that the legal reserve requirement ratios applicable to the collection of additional banking system funds would be gradually reduced, that a foreign exchange futures market would be set up in the Bank of Mexico to boost foreign currency reserves and that the public and private foreign debt totals \$83 billion.

Referring to the Federal District, he indicated that its current revenues are estimated at 165.8 billion pesos, with net borrowing of 75.6 billion, and that his proposals are designed to provide the district with larger tax revenues.

He suggested that residential drinking water rates be increased to a fixed bimonthly charge of 280 pesos for consumption of 40 cubic meters or less, noting that higher rates and additional charges would apply to higher levels of use.

He indicated in conclusion that when the revenues of the Federal Government agencies and enterprises rise as a result of increases in productivity or the bosts in prices and rates, "the revenues thus obtained will be used primarily to reduce the net indebtedness of the agency or enterprise in question or for the programs mentioned in the Federal Government's Expenditures Budget."

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CSO: 3248/389

## BRIEFS

DROUGHT AFFECTS JALISCO PLANTINGS--Guadalajara, Jal., 16 Nov--Of the 100,000 hectares farmed last year in the autumn-winter cycle, the planting for the following season will be on an area of 66,000 hectares because of the shortage of water in the dams of the region, said the delegate of the Secretary's Office of Agriculture and Hydraulic Resources, Hilario Valenzuela Corrales. He added that at this time more hectares will be earmarked for the planting of wheat because last year's crops were spoiled by the drought in the region of la Barca. Valenzuela said that in recent months Chapala Lake has gathered little water, for which reason it is believed unlikely that in the next cycle the 100,000 hectares will be farmed; however, Valenzuela stated it is certain that about 66,000 hectares will be planted. [Text] [Mexico City EXCELSIOR in Spanish 17 Nov 82 p 7-D] 9545

CANACINTRA INDUSTRY UNEMPLOYMENT--The employment list in the sectors of capital goods and metals-mechanics has been reduced up to 40 percent, with about 500,000 persons left without work because of the lack of foreign currency and the reduction of the national market, was stated yesterday by representatives of the National Association of the Processing Industry (CANACINTRA), who also called for greater efficiency and productivity in the state enterprises to make up for the price increase of its services and to avoid the price rise's generating greater social problems. The presidents of the councils of Capital Goods, Adolfo Valles Septien; of Metals-Mechanics, Jose Luis Goncen and of Diverse Industries, Aurelio Tamez, also pointed out that the decentralized public bodies lack justification for not fulfilling their commitments for payment to their suppliers in the private sector, since the government has funds from the nationalized banks. They also maintained that the capital goods and metals-mechanics industries have no possibilities of exporting in the short term, for which reason they have chosen a program of substitution for imports in the face of the lack of foreign currency to finance their purchases from abroad, which involve 40 percent of their industrial production. [Excerpt] [Mexico City UNOMASUMO in Spanish 26 Nov 82 p 9] 9545

CSO: 3248/320

## DRAFT OF POLITICAL PARTIES LAW READY

Managua LA PRENSA in Spanish 22 Nov 82 p 8

[Text] The Law of Political Parties whose debate was announced Wednesday will be the beginning of the pluralist democratic institutionalization in our country, according to the very content of this law.

Initially, the work done by the special commission which was named by the Council of State, will be submitted to debate, according to statements of Dr Gustavo Tablada, leader of the Socialist Party.

This commission succeeded in putting together some comments in a working draft (a kind of preliminary opinion) which it has sent to different Nicaraguan political organizations.

This document proposed as "Law of Political Parties" consists of 34 articles and according to Dr Tablada will be the point of departure for discussions.

However, political analysts, such as Dr Julio Ramon Garcia, leader of the Christian Socialist Party, raise serious reservations regarding the document issued by the special commission of the co-legislative organ.

As a point of reference, it is recalled that the representatives of the Sandinist Front presented before the Council of State in November 1981 a proposed political parties law, which consisted of 14 articles.

With the support of democratic organizations, the Christian Social, Constitutional Liberal Movement, Democratic Conservative and Social Democratic parties, the project drew wide attention.

During the meetings of the special commission, delegates from independent political parties proposed support for the initial offer of the FSLN [Sandinist National Liberation Front].

The Conservative Democratic Party and Democratic Coordination "Ramiro Sacasa Guerrero" which groups the Liberal Constitutionalist, Christian Social, Social Democratic and the Confederation of Labor Unity and the Federation of Nicaraguan Workers, made public drafts of the Law of Political Parties.

It was in part a reply to the study of the special commission appointed by the governing board of the Council of State over which Commander Carlos Nunez presides.

Dr Garcia Vilchez, in his capacity as a member of the Christian Socialist Party analyzes the draft document, presently basically as an opinion of the special commission.

According to the party leader, the first article, the same as the original FSLN project, does not regulate the exercise of the rights of assembly and public demonstration (of the parties), recognized in the Statute on Rights and Guarantees of the Nicaraguan people, nor does it contain any provision regarding political advertising.

Likewise, the political analyst points out that initially the country's democratic political parties cannot be in agreement with the contents of the second article of this draft-opinion of the special commission.

He adds that this article limits the existence of the parties to mere participation in public administration, which is to revive the "zanducismo" (collaborative group of the party in power).

The article mentioned denies to them (to the parties) their object and primal purpose as the taking of power to accomplish their historical plans.

Another substantial reservation expressed by Dr Garcia is based on the same first article which defines the Law of Political Parties in terms of public order.

Dr Garcia indicates that this connotation becomes dangerous because the conditions contained in laws of public order are of obligatory and irrevocable compliance.

According to the third article of the draft-opinion, "only groups legally recognized as political parties will enjoy the rights and guarantees established in this law and they will be obligated to comply with the duties which this law and the other laws in force indicate."

In this regard Dr Garcia points out that: "It is logical that only the parties legally recognized can enjoy rights and guarantees established in this law. However, it is not known what those other laws in force are."

He adds that as it is emphasized that political parties are institutions of public law, all those laws in force, which are not defined, obligate them (the parties) without their knowing which laws.

In addition Dr Garcia offers the following commentary regarding another idea of the study-opinion of the special commission previously referred to.

"It is defined in the draft as 'the recognition of the right to existence of ideological, political and social currents.'"

"In principle, the simple recognition of the right to exist, or the tolerated existence of distinct ideological currents, is neither true ideological nor social pluralism."

Dr Garcia points out that "true pluralism manifests itself by concrete fulfillment of activities as the public demonstration without conditions which make it unattainable, by means of the existence of the right to organize parties which are governed by their own principles, without wanting to make them uniform."

The analysis of the Christian Socialist leader is also focused on the eighth article of the study-opinion.

Dr Garcia explains that this article endeavors to enumerate political rights and at the outset it is recognized that political parties have the right to advertise their principles and programs obeying all the country's laws.

Following that he explains: "I have a big contradiction here. It says that political parties have the right to advertise, but the Law of Political Parties, which is what should regulate political advertising does not lay out anything in this regard."

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CSO: 3248/355

## CTN NATIONAL CONGRESS EXPELS FOUR MEMBERS

Managua LA PRENSA in Spanish 22 Nov 82 pp 1, 14

[Text] The extraordinary national congress of CTN [Federation of Nicaraguan Workers], highest authority of the trade union organization, expelled late yesterday four former directors who last September occupied by force the organization's local.

Likewise, the representatives of CCT [Central American Workers Federation] and CLAT [Latin American Workers Federation] agreed to the expulsion of Antonio Jarquin, Miquel Escudero, Carlos Pilarde Chamorro and two or three others, leaders of a splinter movement of the trade union organization.

As is public knowledge, the expelled former directors occupied by force the offices of CTN, after holding a meeting in which they had themselves named members of the board.

The extraordinary national congress which relies on the participation of representatives from Ecuador, Colombia, Venezuela, Costa Rica and Germany, gave its support to the present executive committee of CTN, presided over by the secretary-general of the organization, Carlos Huembes.

Meanwhile, the same congress nominated as a new member of the CTN's executive committee, Profirio Narvaez, known in the union movement by the affectionate nickname of "Yuyu."

The extraordinary national congress of CTN in plenary session deprived the splinter group of the use of the CTN name.

While the congress was in session, a cable from FETLA [Federation of Latin American Food Workers] with headquarters in Bogota, Colombia prohibited Jarquin from participating in other activities.

The event, which also included the participation of distinguished observers such as the ambassador from Venezuela and other personages, ended last night making public what had transpired at the congress.

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CSO: 3248/355

## DAMAGE TO COTTON CROP OVER \$40 MILLION

Managua EL NUEVO DIARIO in Spanish 22 Nov 82 pp 1, 8

[Article by Eduardo Estrada]

[Text] Losses from the present 1982-1983 cotton crop will reach more than 40 million dollars as a consequence of last May's floods and the succeeding 3-month drought which lashed the western regions of the country, phenomena which had not occurred in 50 years.

On a national level, it had been planned to sow 91,000 hectares of cotton. The center of cotton production is concentrated in the western part of the country, which includes the departments of Leon and Chinandega. For this reason the expected crop will be reduced in the present cycle. Although a normal crop is foreseen in the departments of Granada, Masaya and Managua, in the eastern part of the country which represents a small part of production, in the western part only two-thirds of the original estimate will be produced. In this region they hoped to harvest 4,200,000 quintals, but current data indicate that it will be 3,600,000.

Carlos Chavarria, production director of the Ministry of Agriculture and Livestock Development and Agrarian Reform of Occidente expressed it thusly: "With the heavy rains of May 40 inches fell throughout the area in only 1 week. The excess water formed strong currents which washed away the topsoil and caused erosion."

He added that "the torrential rains lasted a week, but afterwards we suffered a 3-month drought. This has not permitted a normal development for cotton."

As a consequence, not only have costs of production increased, but we will be confronted with laborers which we will not be able to employ fully."

The official said that 72 percent of cotton production belongs to the private sector and 28 percent to the state. In both sectors the first of the harvest began in October, which is given the popular name of "pepena."

In the cotton fields one no longer sees plants of 50 inches, which is the normal height, but unequal fields, where plants have grown only 17 inches tall.

It is natural that under these conditions production decreases, and as a result it will be necessary to seek alternative employment for the 50,000 agricultural workers of the area.

There is a harvest plan which encompasses this problem in which are included various sources of work and the reduction in the use of mechanical pickers, in order to employ the workers who traditionally are engaged in picking cotton during this season. The consequences of the cotton crisis have become so severe that it will be necessary to close various cotton gins of the 18 which are in the area.

Our source added that "a study is being made to determine which gins we are going to close. The drop in cotton production will not allow us to use all the gins and this also will occasion a certain amount of unemployment. However, despite all the problems, the cotton crop will be at its height in December."

Chavarria ended by saying that with the help of the workers, the private producers and state entities, it will be possible to obtain 270,000 bales of cotton in the western region and to achieve more than 300,000 on a national level.

The representative of the private producers of Leon, Jose Esteban Paez, in turn stated that they are making all possible efforts to assure the highest yields for the present crop despite the sizeable losses in production generally.

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CSO: 3248/355



CHAMBER OF COMMERCE MEETING WEIGHS ECONOMIC SITUATION

Paper's Comment

Castries THE VOICE in English 24 Nov 82 p 1

[Text] THE St. Lucia Chamber of Commerce meets this afternoon for its Annual General Meeting, at La Toc Hotel when its management committee for the next ensuing year will be elected.

These elections take place at a most critical time in the economic life of this country when many critical relationships will have to be fashioned anew if this country is going to be able to take a common position on the very urgent problems facing it in the economic area with the concomitant effects in the social and political areas.

The events which brought about the fall of the Cenac Government also brought with them a new awareness which has led to a demand for a re-definition of the relationship between the employer and the work force, and any management team leading what is still probably the most important private sector organization must be sensitive to the need for a change in this relationship, and while safe-guarding the interests of the business community, have the flexibility to accept the new concepts in worker motivation which contributed to make Japan the tremendous economic success that it has been the model for even the United States of America.

It is against this background that the new president and his team will be chosen at today's meeting and the decisions facing the members are more onerous than at any other time in the life of the Chamber.

Meanwhile the Committee of Trade Unions set up to examine ways and means of assisting in the reconstruction of the economy of St. Lucia and the harmonization of inter-Trade Union relationship continued its series of meetings last Saturday.

The Committee endorsed the Union initiative in launching the productivity campaign and agreed to seek discussions with Government on the need for the creation of a National Economic Council.

The Committee was also brought up to date on the status of a number of major negotiations which were either underway or about to be commenced and took the agreed position that the Trade Union Movement was concerned about the effect of continuing spiralling cost of living on the economic social and moral well being of the workers and while it recognised the relationship between wages, prices and productivity on the economy of the state, however, take the view that the imposition of an across the board ceiling on wages is unrealistic and that wage increases should be based rather upon the moral obligation of the employer to improve the social condition of the worker, the ability or inability of the particular enterprise to pay and the effect of such increases on the economy as a whole.

The Committee meets again on Saturday.

## Support for Tripartite Approach

Castries THE WEEKEND VOICE in English 27 Nov 82 p 1

[Article by Sharon Williams]

[Text] THE worsening global economic position, particularly in the less developed countries like St. Lucia is of fundamental concern to the St. Lucia Chamber of Commerce, Industry and Agriculture. So said Mr. Ornan Monplaisir, Past President of the Chamber in his address to members at the Annual General meeting of the organization held on Wednesday at La Toc Hotel.

He explained that with the news of Mexico's default of US\$81 Billion in overseas debts shock waves were sent through the global financial systems and leaves one to conjecture."

The local economic position he added was even more acute with the high rate of unemployment and limited financial resources which he said "makes it more alarming when one considers the avenues open to us to extricate ourselves from this position and to attempt to achieve a more buoyant economy."

The solution to this situation Mr. Monplaisir said lies in a strong recommendation to the Government to embark upon "a stringent austerity programme which will be reflected in a more efficient and productive civil service."

He added that the Tripartite Commission suggested by the Government presented the opportunity to spur St. Lucia's "staggering economy." He said: "It has been long recognized that the economy of the State is in a precarious and deteriorating position with substantial outstanding and private debts, public expenditure grossly exceeding income, high unemployment especially among the young, and the main props of Agriculture, Tourism and Industry all in financial difficulties."

Mr. Monplaisir said that in keeping with the spirit of the Tripartite, the Chamber has submitted proposals to the Prime Minister which it hopes will act as a catalyst to the economy by stimulat-

ing production and attracting local and foreign investment.

According to Mr. Monplaisir, the Chamber

has made several recommendations to improve the economy such as the need for setting up an Export Marketing Board would operate as a permanent body charged with identifying markets, solving the problems involved, liaising with the relevant authorities, solving transportation problems and monitoring standard and quality.

Other recommendations include the establishment of an agricultural marketing company for the development of increased production of food and tree crops through an organized marketing structure.

"In this regard, we strongly recommend the setting up of a Public Corporation with the opportunity provided for every farmer and peasant to become a shareholder. Of paramount concern to us is the occasion to emulate the unique marketing of the banana industry, to provide the economic activity that will flow on a permanent basis and to relieve drastically the unemployment problem."

In an effort to upgrade Tourism, the Chamber of

Commerce has recommended specifically that \$1.5 million be raised to embark on a promotional campaign in North America. "This we feel, can be done by way of a Bond Issue to be floated by the Government over a period of two years, given the present economic situation, at an attractive rate of interest, which would be tax free and the maturity period to be extended to five and ten years," he said.

Finally, Mr. Monplaisir commended members on their unity throughout the past year. "...there has been a general closing of the ranks" he remarked with the Chamber working together with a singleness of purpose. "It was gratifying to see coming on stream the training seminars and programmes earmarked for the benefit of employees at all levels through the assistance of our umbrella organisation the Caribbean Association of Industry and Commerce (CAIC)."

He said that it was equally gratifying to observe the receptiveness of members to the call to undertake the rehabilitation of the Mindoo Phillip Park "our biggest community effort ever."

## Gov't Price Measures

Castries THE VOICE in English 1 Dec 82 p 1

[Text] **TRADE Minister Mr George Mallet has identified three specific price increase measures to be undertaken by Government under the proposed Tripartite Commission on prices, wages, productivity and employment.**

**Mr Mallet made the disclosure when he addressed the Annual General Meeting of the St. Lucia Chamber of Industry, Agriculture and Commerce last Wednesday.**

**The Minister said that those measures were: encouraging the establishment of Consumer Organisations to permit the public to make meaningful inputs into the process of restraining prices; instituting and operating facilities that will be conducive to obtaining basic commodities at the lowest possible prices to the consumer and strengthening the Price Control machinery so that it could become effective in combating exorbitant and unwarranted price increases.**

CSO: 3298/211

EMPLOYERS FEDERATION MEETS, CONSIDERS TRIPARTITE PROPOSAL

Castries THE WEEKEND VOICE in English 4 Dec 82 p 18

[Text]

THE St. Lucia Employers' Federation has re-elected Mr Gray Milne-Marshall as its President. Also re-elected to the Committee of Management was Mr Fred Devaux while Mr Henry Phillips was elected to serve on the Committee.

Officers of the Committee of Management for the next year will be elected soon at a meeting of the Committee of Management.

The delay in the setting up of the Tripartite Standing Commission proposed by Government was one of the matters discussed at the Federation's recent annual general meeting.

Members of the Federation expressed the view that the Tripartite approach promoted by the International Labour Organisation was more relevant now than ever before and it was of vital importance that the Government, Trade Unions and Employers' Associations got

together on a structured basis to express their concerns and formulate policies and plans so that the national interest could be seriously and responsibly kept in focus.

Another matter discussed at the meeting was the bringing of the private sector organisations together so that arrangements could

be formulated and various interests discussed and a common ground found for the representation of employers' interests as a whole.

Other matters discussed included Government's intention to implement legislation to deal with health, safety and welfare, trade union recognition and the updating of the Severance Pay Act.

The hope was expressed that the Federation would be consulted prior to the enactment of these pieces of legislation.

Industrial relations particularly the collective bargaining process, considering the country's present depressed economic state was also dealt with.